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CMD 2022

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Mips athlete: Kate Cortney

MTB XC World Champion and WC winner

# Agenda

- 01 Our performance and what has changed
- 02 Our sustainability commitment
- 03 Our brand and our product
- 04 Our sales priorities
- 05 What does this mean in numbers
- 06 Wrap up
- 07 Q&A



01

# Our performance and what has changed

## Our previous long-term targets

**SEK 1bn**

Net sales by 2025

**>40%**

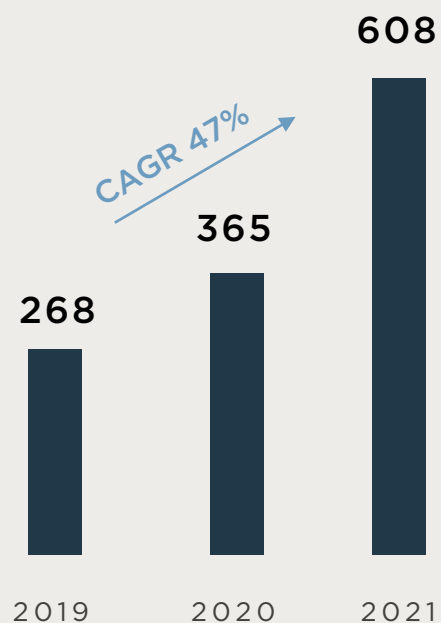
EBIT margin

**50%**

Dividend of net earnings

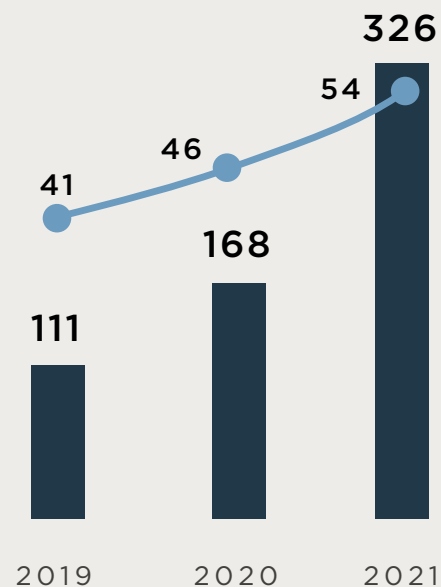
# Performance has been stronger than planned

## Net sales development



Net sales MSEK

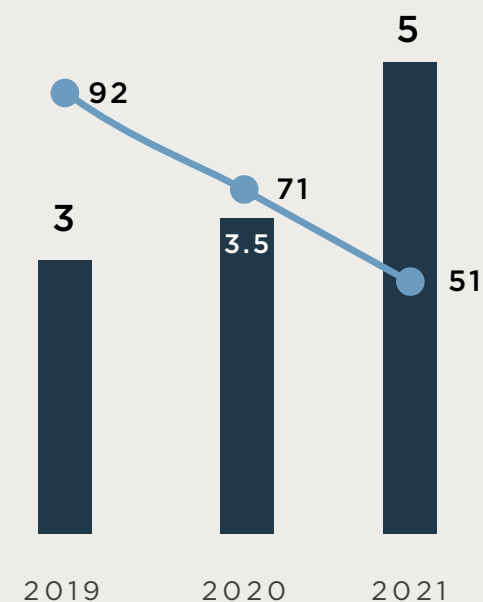
## EBIT development



EBIT MSEK

EBIT margin (%)

## Dividend distribution



Dividend per share (SEK)

% Dividend of net earnings

# Key wins

- ✓ We have established ourselves with great partners in the Safety category
- ✓ We have started to win in Moto
- ✓ We are winning in the U.S.
- ✓ We are starting to replicate our story in Europe
- ✓ We have doubled our competence in 3 years
- ✓ We have accelerated our investments in capabilities

“All this, during a **pandemic**”

WHY ARE WE HERE

# We are here to talk about the future

01

We are ahead of  
our own plan.

02

Our market  
opportunity has  
increased.

03

The market has  
grown more than we  
anticipated.

04

All valid reason to  
change our ambition  
going forward →



## Our long term targets

**SEK 2bn**

Net sales by 2027

**>50%**

EBIT margin

**50%**

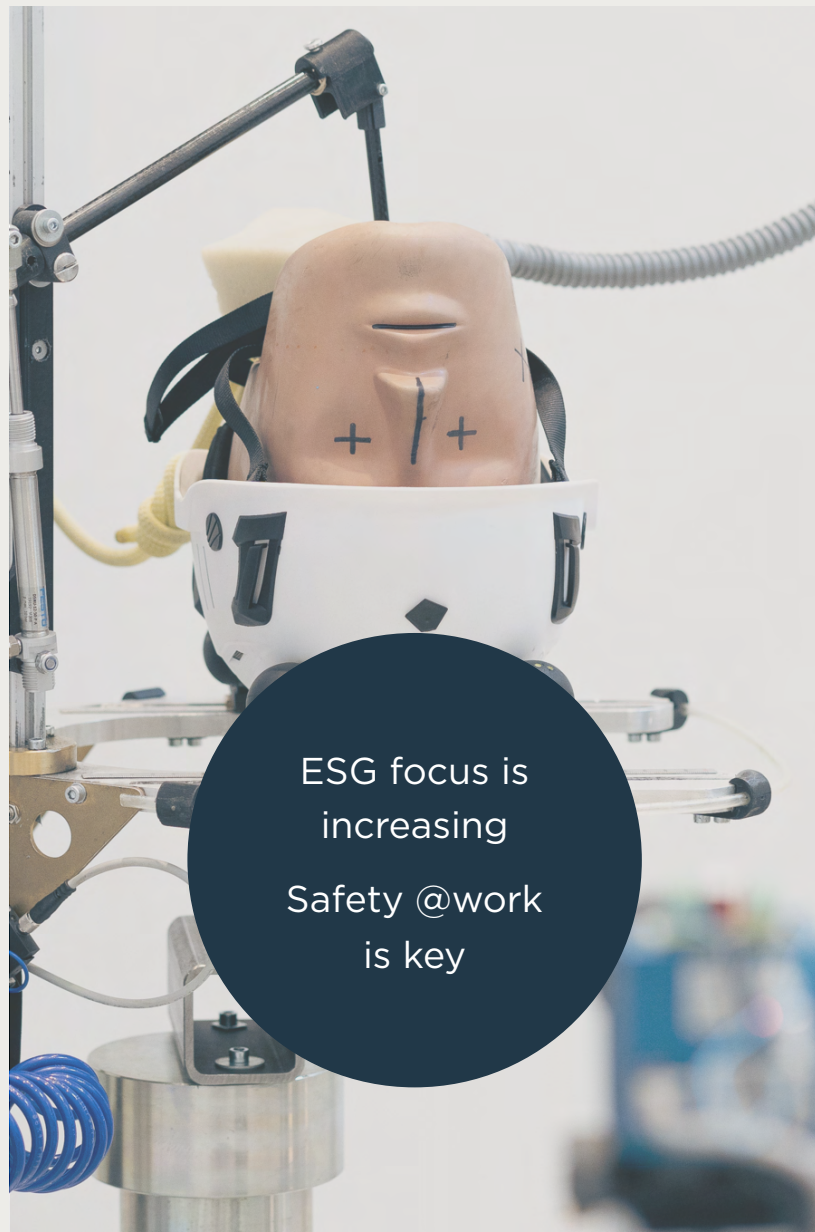
Dividend of net earnings



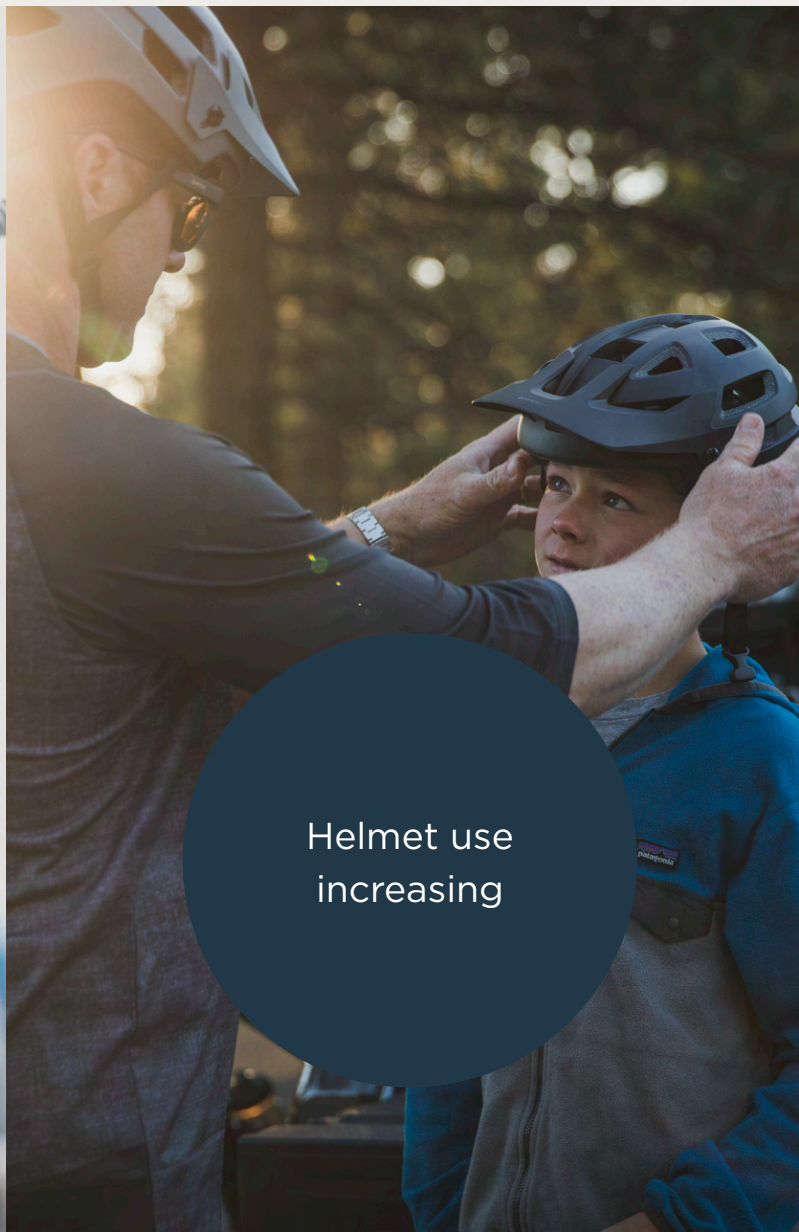
**Ambitious** but  
realistic targets







ESG focus is  
increasing  
Safety @work  
is key



Helmet use  
increasing



Strong  
outdoor trend

MARKETS EXPECTED TO GROW

# Expected market growth in volume per annum

VOLUME

+5%

0%

+3-5%

+5%

+5%



PRICE



SPORTS

MOTO

SAFETY

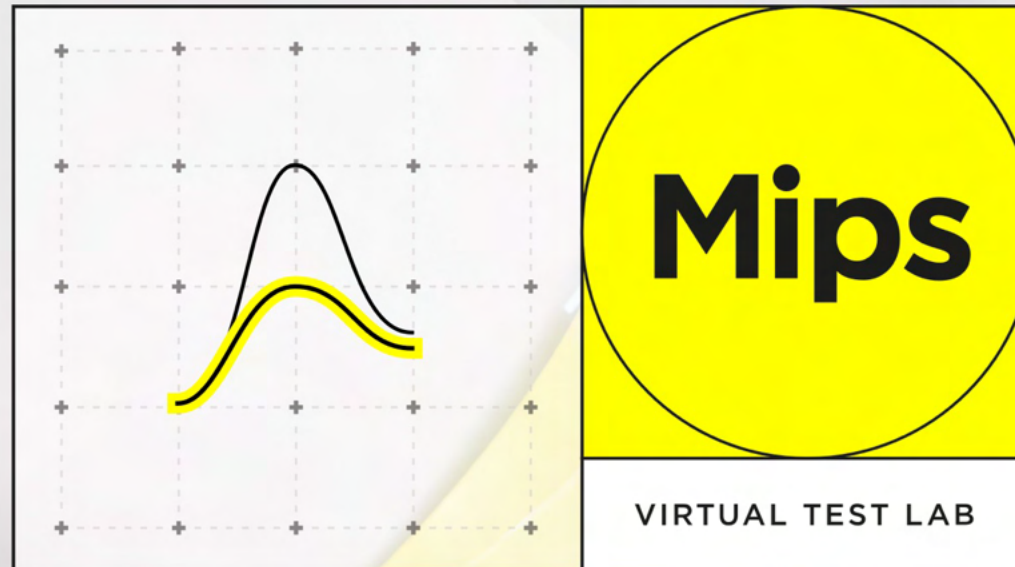
## STATUS OF THE BUSINESS

# All of our categories remain strong

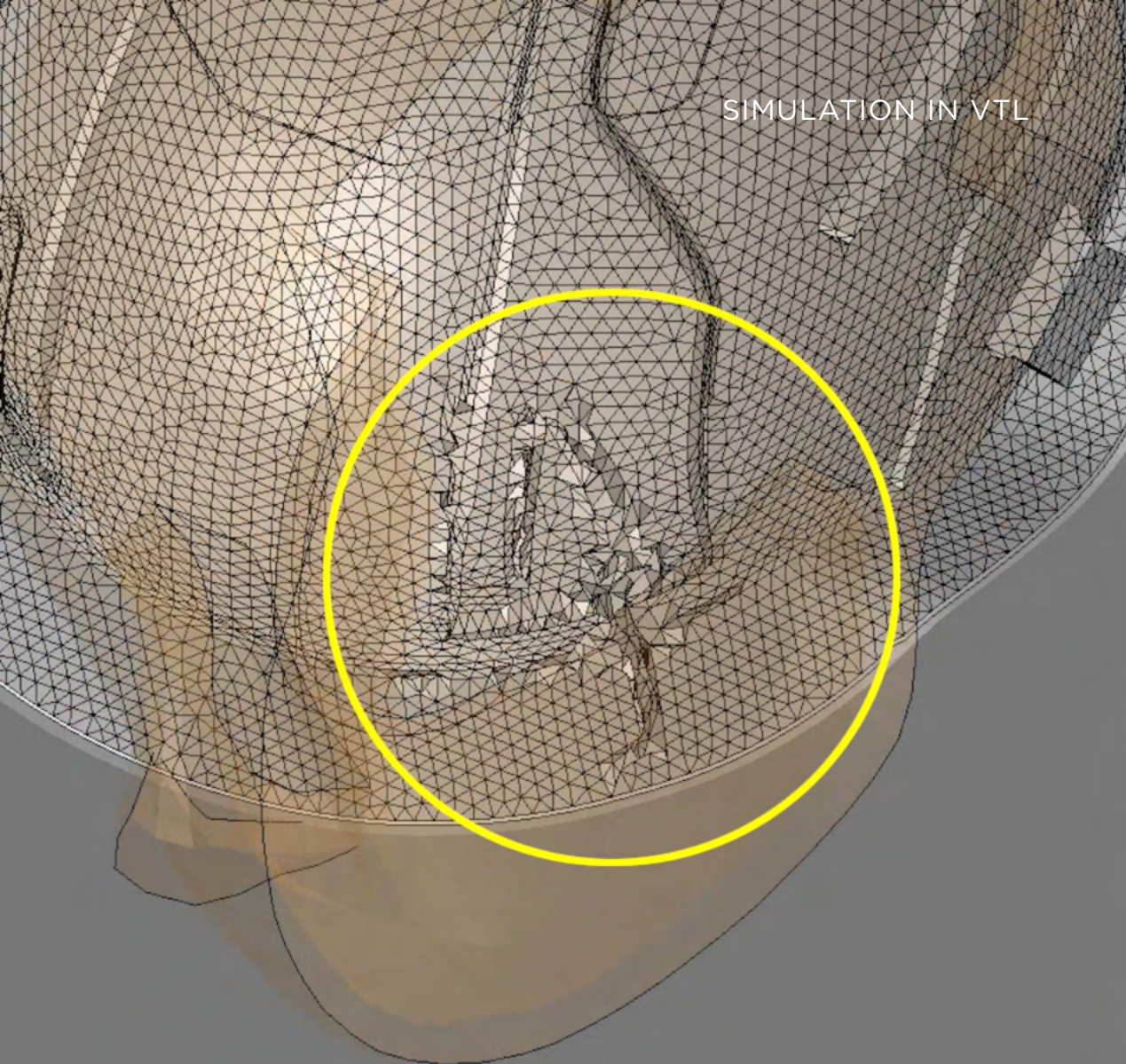
- ✓ We see good demand in all our three categories
- ✓ We continue to invest for growth
- ✓ The world is expected to remain unpredictable



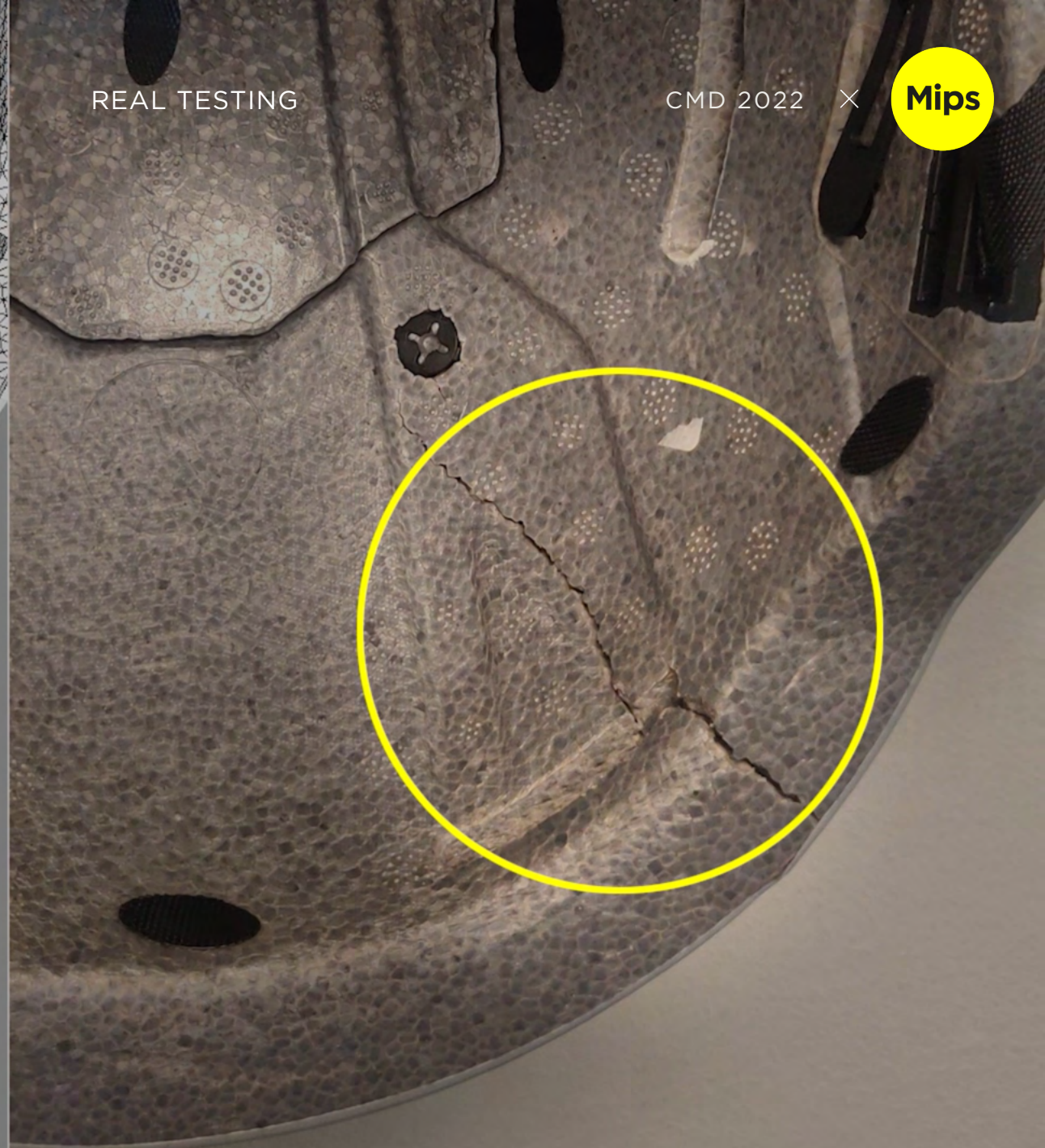
## Next level in helmet development







SIMULATION IN VTL



REAL TESTING

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MIPS SNOW HELMET - PITCHED IMPACT





MIPS AWARENESS

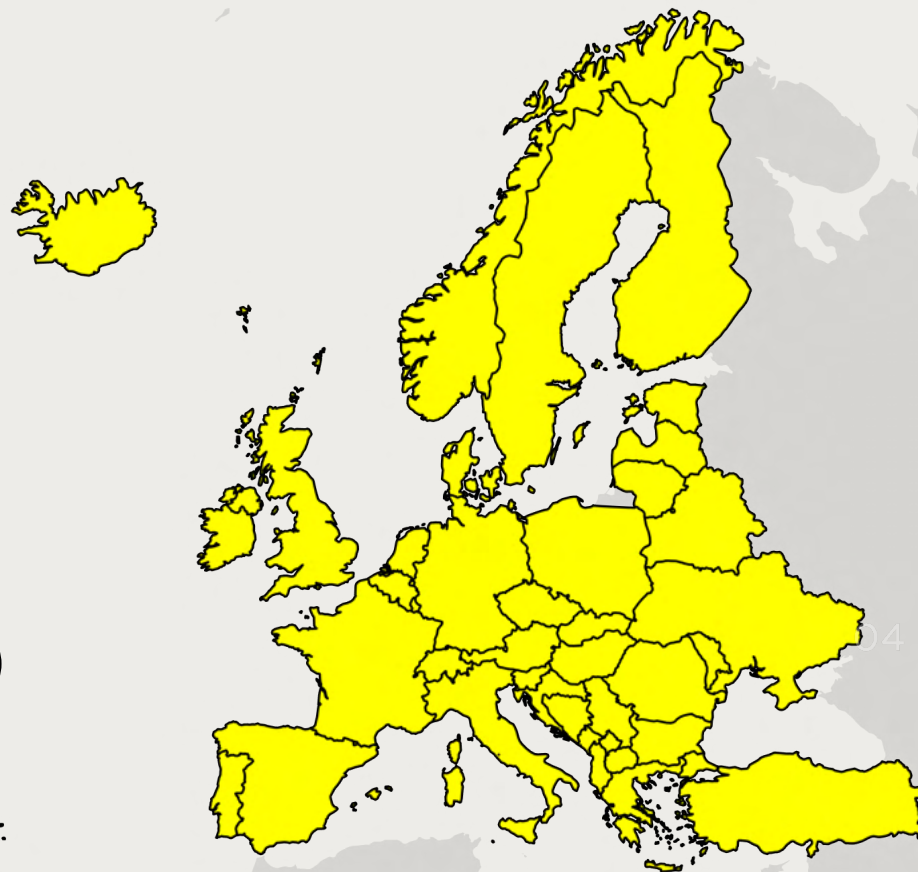
## North America

↑ **45%** 04

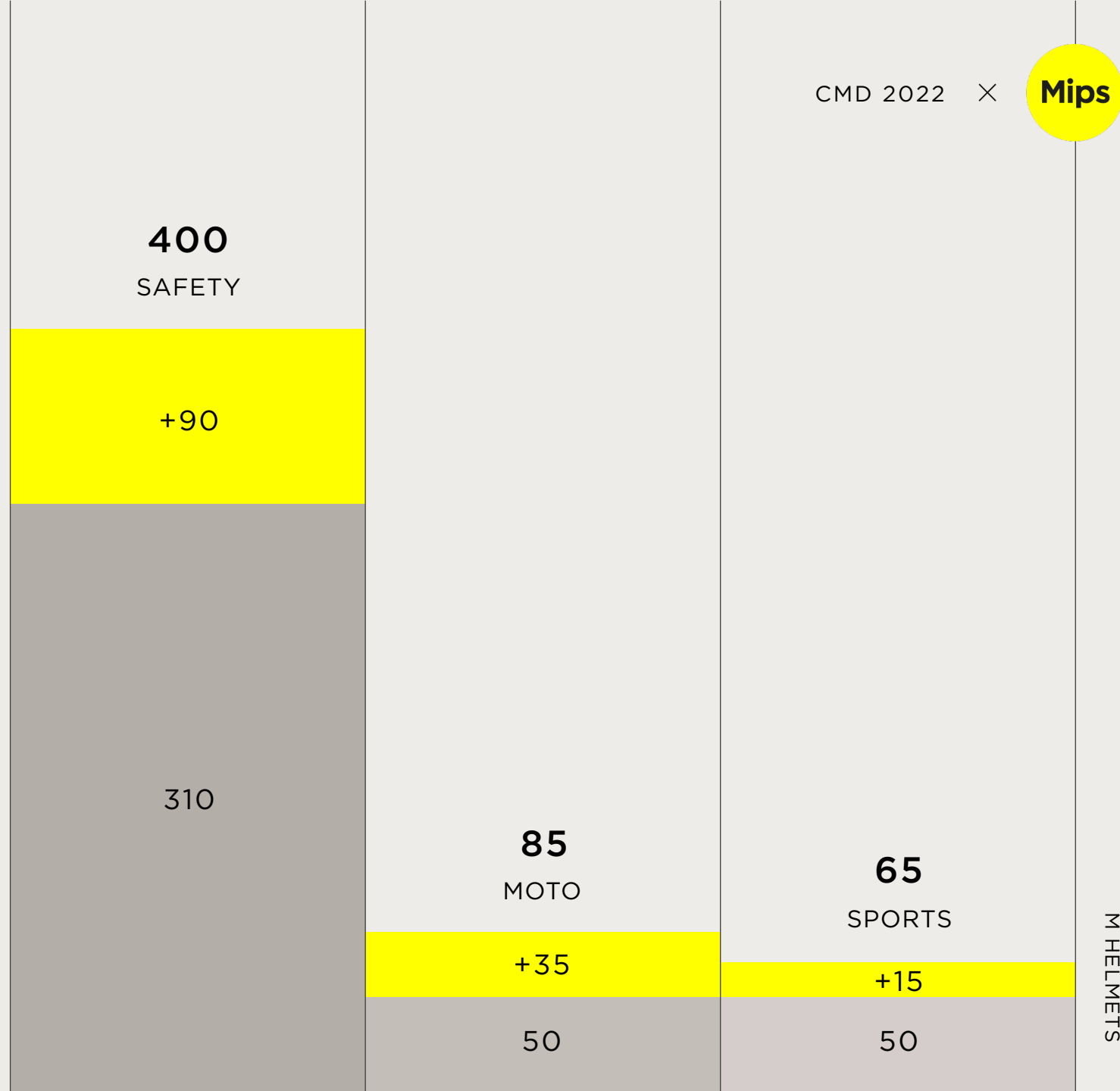
MIPS AWARENESS

Europe

↑ 35%

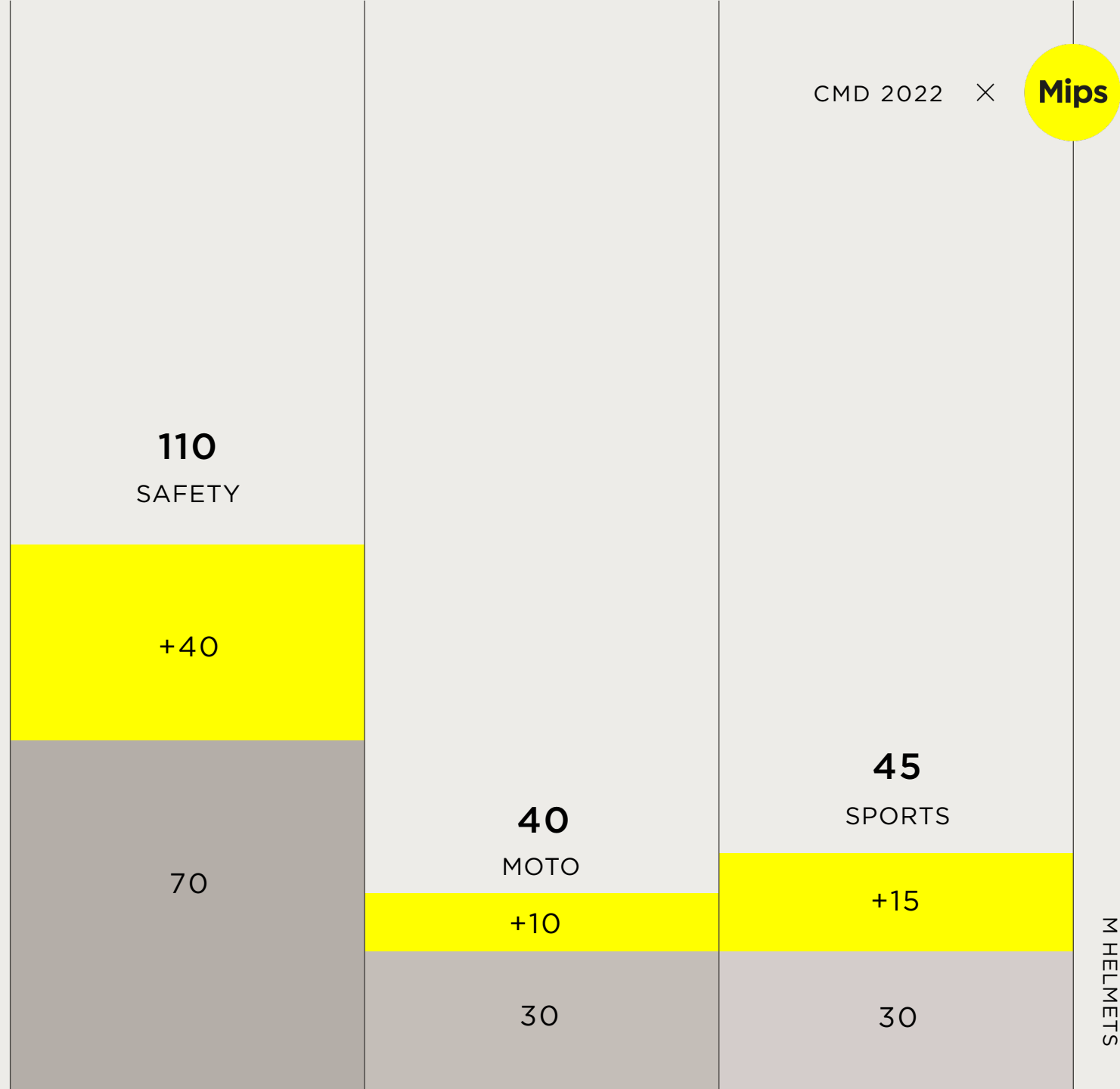


Mips' **total** helmet  
market has grown  
  
by 140m to 550m

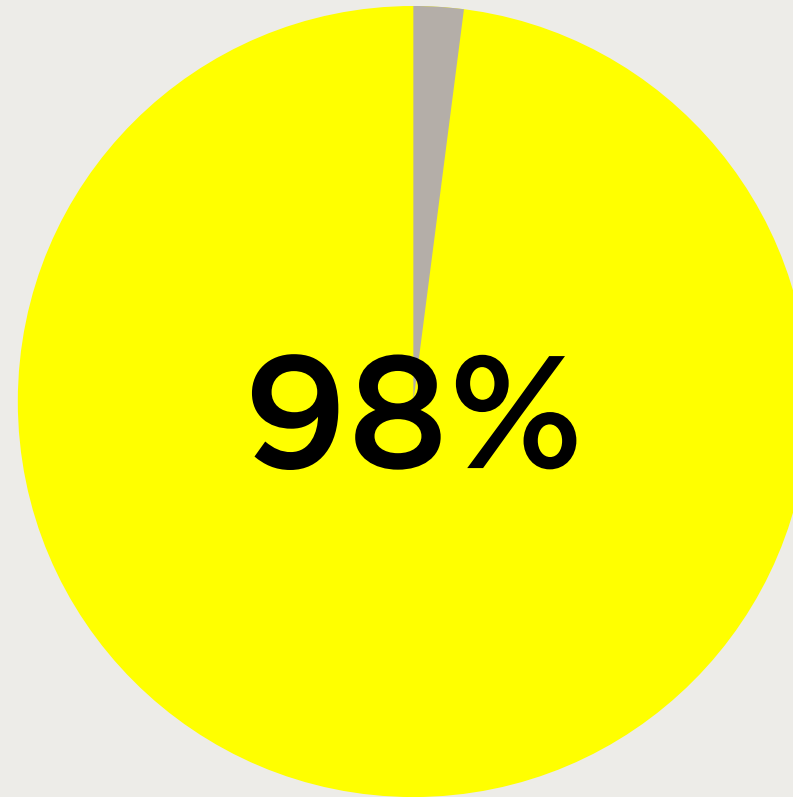




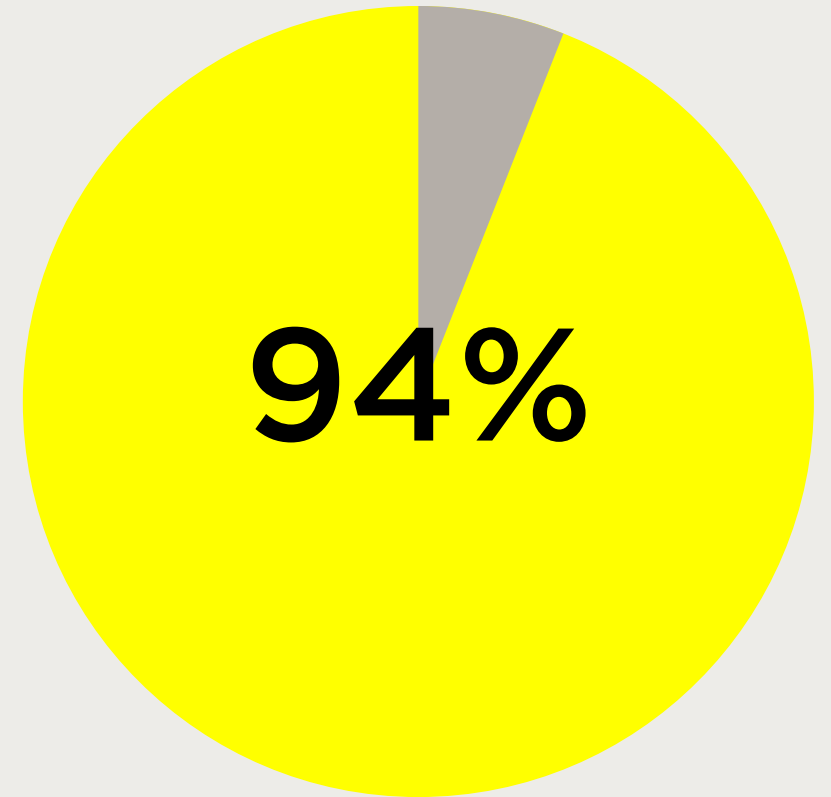
Mips' **focus** market  
has expanded to  
195m helmets



Still a lot of  
untapped  
potential



OF TOTAL MARKET



OF FOCUS MARKET



OUR VISION

Reduce head injuries  
– Save more lives



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Mips

OUR MISSION

Leading the world  
to safer helmets





OUR POSITION

# Leader in helmet safety





01

Grow existing business

02

Open up new channels  
and markets

03

Capture new  
opportunities within  
helmet safety



# What does that actually mean?

01

Grow existing business

02

Open up new channels  
and markets

03

Capture new  
opportunities within  
helmet safety

MIPS WILL BE MORE THAN MIPS

# A paradigm shift



Focus will not only be rotational protection



We will optimize the whole helmet performance



02

# Our sustainability commitment

Karin Rosenthal  
Chief Financial Officer

## OUR FOCUS AREAS IN SUSTAINABILITY

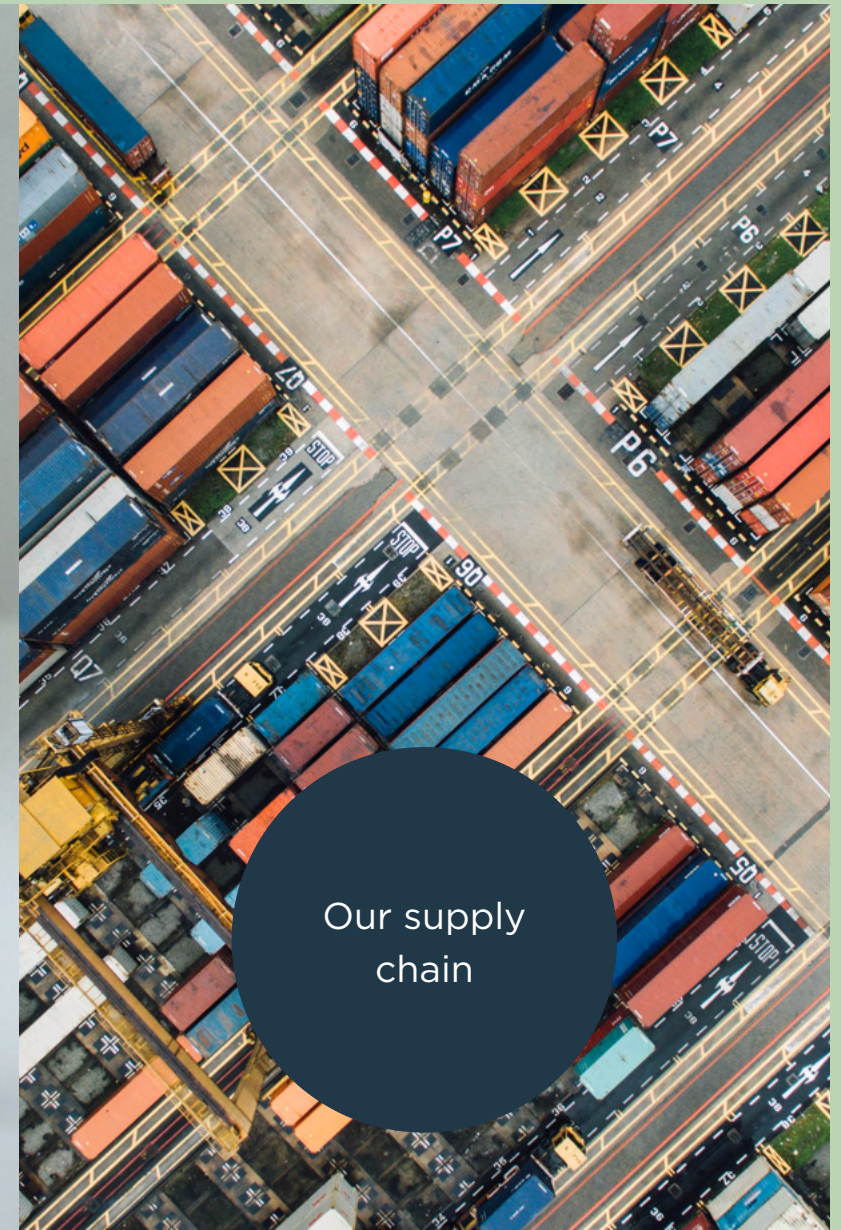
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Our  
employees

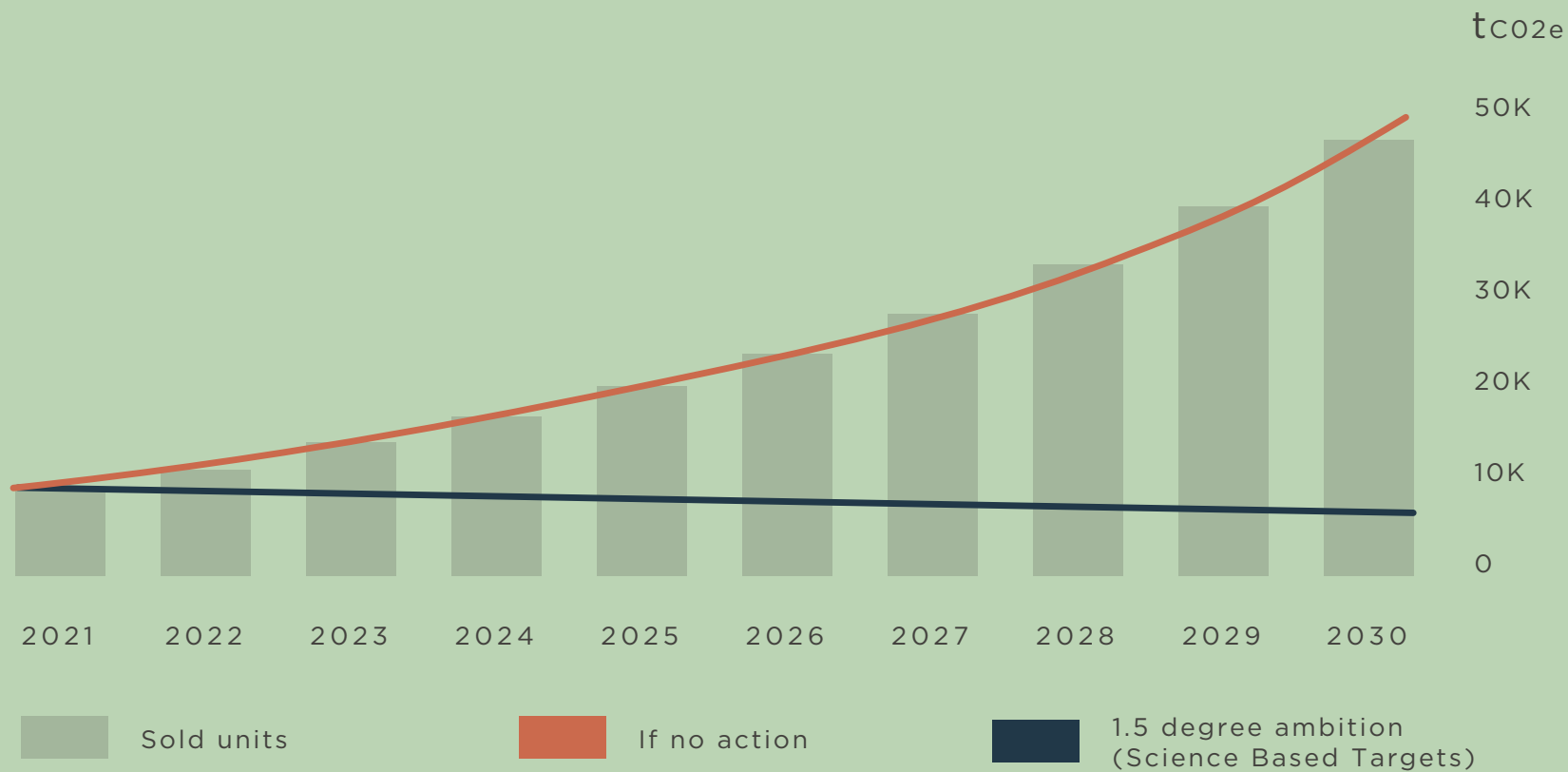


Our  
product

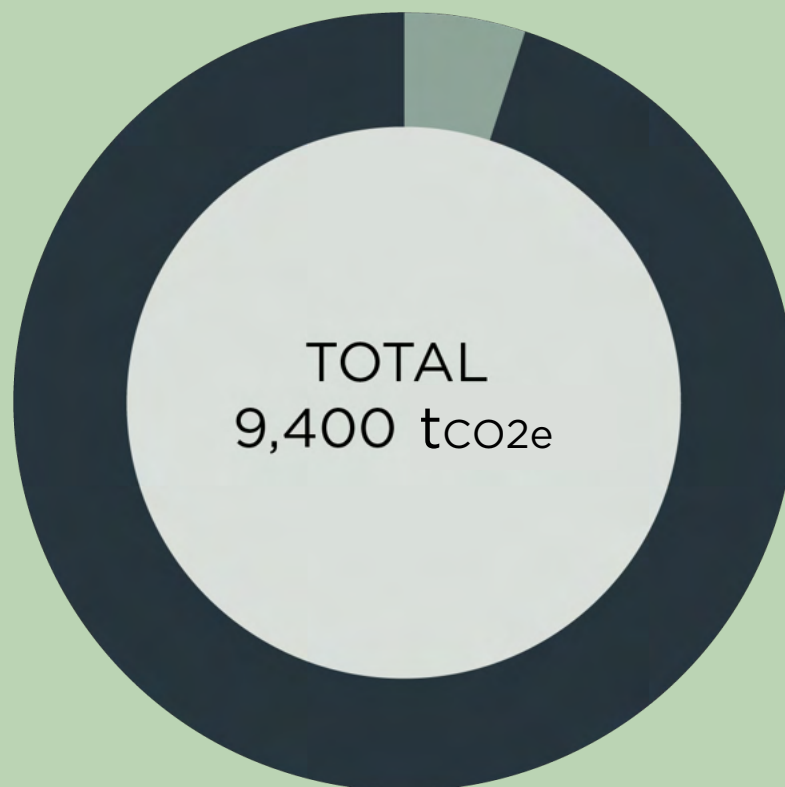


Our supply  
chain

GROWTH AND ENVIRONMENTAL IMPACT



## TOTAL CLIMATE EMISSIONS



### MANUFACTURING

Electricity	46%
Raw materials	48%
Other	1%
<b>Total</b>	<b>95%</b>

### OTHER

Refrigerants, AC	1%
Distribution	2%
Other	2%
<b>Total</b>	<b>5%</b>

# 95%

Of our emissions is from producing our products





Science based  
targets

Un – global  
compact

Circular product  
offering



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Leading the world to safer  
and more **sustainable** helmets



03

# The Mips brand and our product

Fredrik Kjellberg  
Chief Marketing Officer



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OUR TAGLINE



# Global sales premium

“If you know Mips,  
you buy Mips.”

WILLINGNESS TO PAY

VOLUME

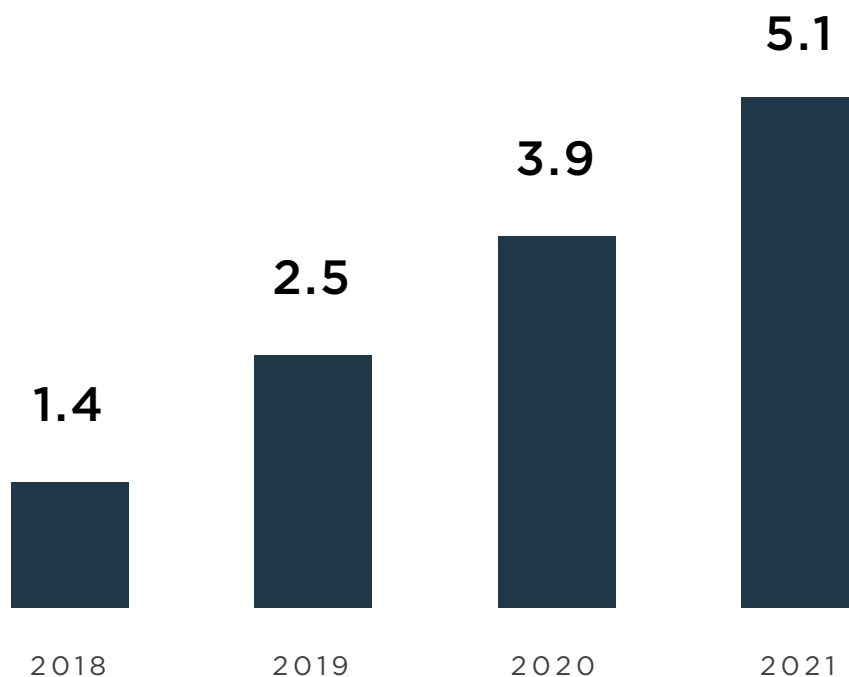
36%

PRICE

35%

## 01 PR - Widening the scope

Total reach in bn



### Forbes

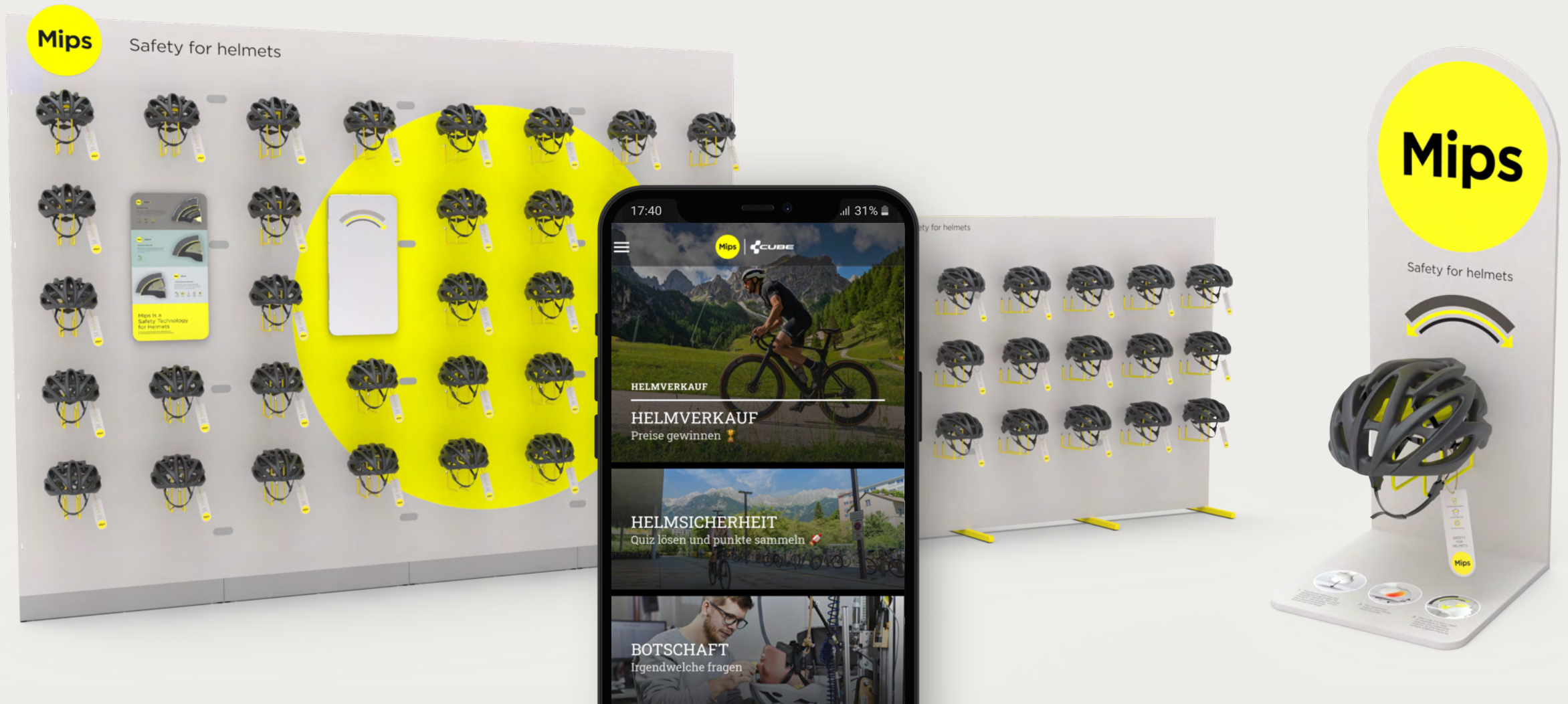
“The Mips label usually adds twenty to forty bucks to the price – but simply do not buy a helmet that does not have it, there’s no sense in that, and every major manufacturer offers Mips.”



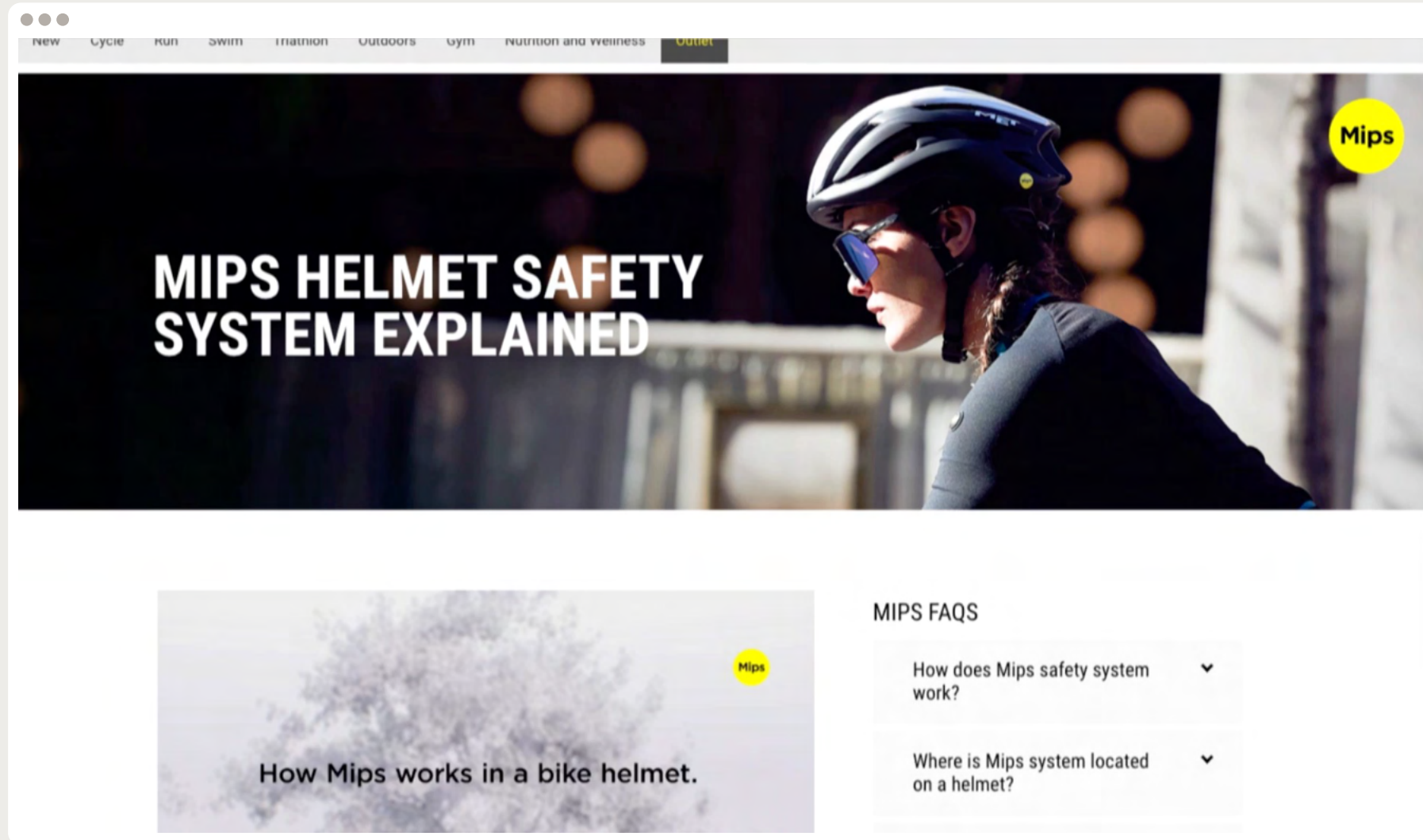
## 02 Paid media – Reaching wide



## 03 In-store concept – Claiming our space



## 04 E-tail – Support sell-through







**Brandon  
Semenuk**



**Tim  
Gajser**



**Kate  
Courtney**



**Henrik  
Harlaut**



**Marion  
Haerty**

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# Design DNA Makeover

Mips

PRODUCT DIFFERENTIATION

Blend in –  
or **stand out**





PREMIUM TEC CALLOUTS

Attention to detail



VISIBLE TECHNOLOGY

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# Highlighting safety features





04

# Our sales priorities

Johan Sauer  
Head of Sales

The market  
**opportunity** has  
 grown

Category	Updated total market	Updated Mips focus market
Bike	50	35
Snow	6	6
EQ	3	2
Team	2	1
Other	4	1
<b>Total Sport</b>	<b>65</b>	<b>45</b>
On-Road	78	34
Off-Road	7	6
<b>Total Moto</b>	<b>85</b>	<b>40</b>
Industry	390	100
LEAF	10	10
<b>Total Safety</b>	<b>400</b>	<b>110</b>
<b>Total</b>	<b>550</b>	<b>195</b>

Our business is  
doing **extremely well**

01

We are  
outperforming the  
market

02

Brand awareness  
increase

03

Independent testing  
and new standards



# We have a great customer base



## Top priority: Organic growth



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Sports



SPORTS CATEGORY:  
WINNING WITH EXISTING PARTNERS

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Keep on winning  
in the U.S.



Replicate U.S. success  
in Europe



It's time to focus on the kids



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Moto

# Trusted by the best

# 34

Total number of factory and factory-supported riders equipped with Mips

# 156

Combined AMA Supercross & Pro Motocross podium finishes for riders equipped with Mips

# 95%

Combined Supercross & Pro Motocross victories for riders equipped with Mips

Mips partners:





## TOP PRIORITIES IN MOTO

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**Mips**



Keep on winning  
in the U.S.



Replicate U.S. success  
in Europe



Convince on-road brands,  
it starts with racing.

Safety



We have established a great base

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10

signed and announced  
helmet partners



3 out of 5

largest Nordic construction companies now offer at least one helmet with Mips to their employees.

In other words: Construction companies choosing to make Mips available to their workers.



NOW IT IS ABOUT GENERATING

# Volumes



We have the brands



We are working with the right partners



We are building the organization



# Actions to grow the existing business across all categories

01

Support sell  
through

02

Educate the crowd

03

Grow penetration

# Open up new markets and channels

01

New channels

02

New markets

03

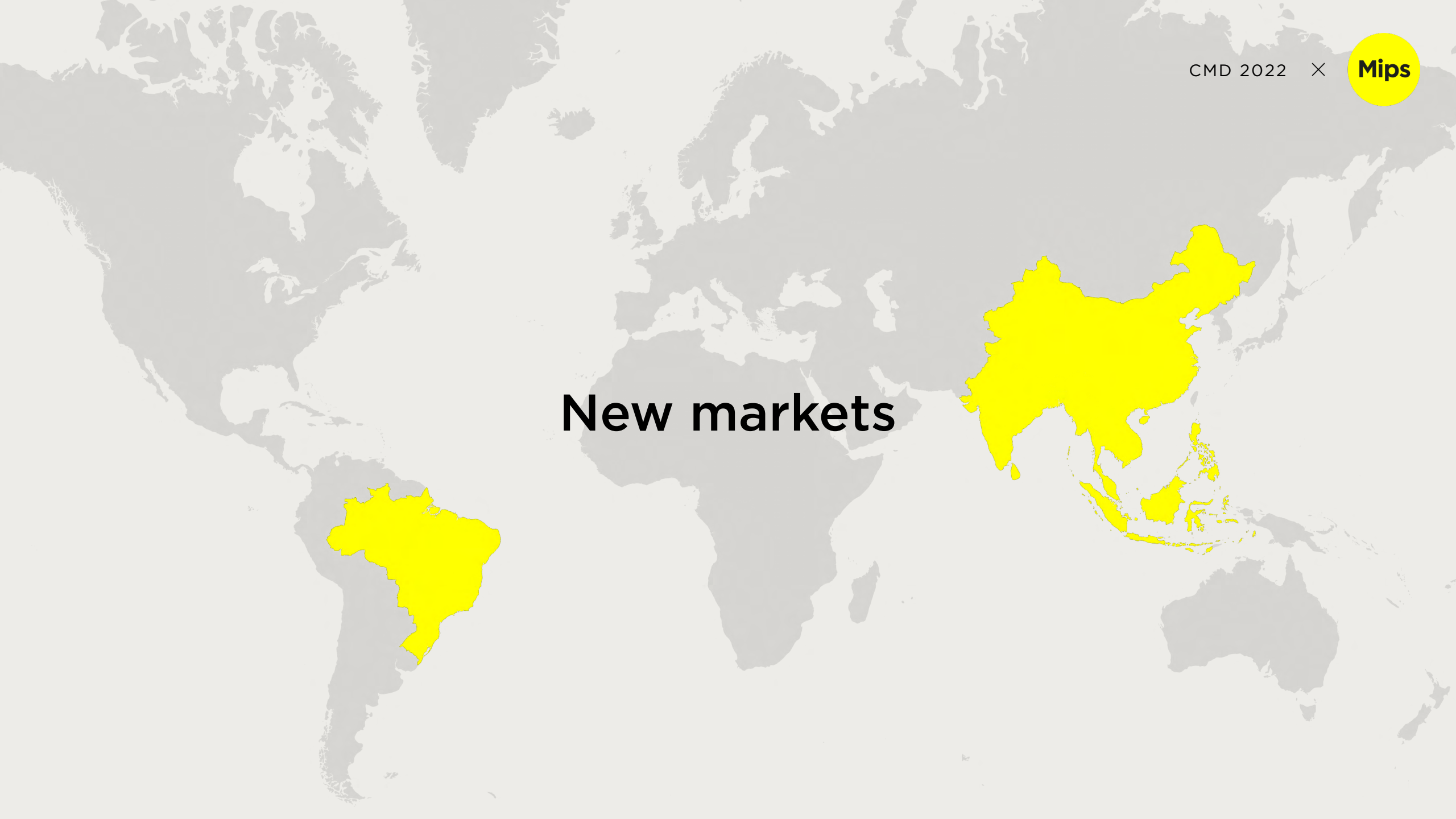
New helmet opportunities



An aerial photograph of a wide city street. The street has a red brick sidewalk on the top and bottom, and a grey asphalt road in the center. Several people are walking on the sidewalks, and many are cycling on the road. The road has yellow dashed lines in the center and solid yellow lines on the sides. There are trees and bushes along the sidewalks.

Get Mips out there  
In volumes

**New markets**





Capture new opportunities in helmet safety





# Capture new opportunities in helmet safety

01

Competence

02

Aftermarket & add-ons

03

New innovation

05

# Financials

Karin Rosenthal  
Chief Financial Officer

## Previous financial targets 2025

## New financial targets 2027

>SEK 1bn net sales by 2025

>SEK 2bn net sales by 2027

>40% EBIT margin

>50% EBIT margin

>50% dividend of net earnings

Unchanged



# Net sales bn SEK

- CAGR of 22%
- Built up by three parts:
  - Grow existing business
  - Open up new channels and markets
  - Capture new opportunities

0.6

2

2021

2027

## MIPS' FINANCIAL MODEL

# Enables >50% EBIT

- ✓ Ingredient brand with a highly scalable business model. Continued strong growth.
- ✓ Fuel awareness, we will increase marketing spend to 7% of net sales
- ✓ R&D: Research and product is key, we will continue to invest heavily with 5% of net sales
- ✓ Enables an EBIT margin >50%

## ASSET LIGHT MODEL

# Enables >50% dividend

- ✓ Asset light model, outsourced production, limited finished goods inventory
- ✓ Invoicing at delivery
- ✓ Investments in IP and testing facilities, no investments in manufacturing
- ✓ Enable a dividend payout of >50%



# Granularity of reporting

- ☒ Quarterly net sales per category (Safety, Moto, Sports)
- ☒ Quarterly net sales per region

Strategy to Increase our value proposition per sold helmet:

- ☐ No yearly reporting on volume
- ☐ No reporting on number of brands or models

This reporting format will be applied from **Q2 2022**

06

# Wrap up

Max Strandwitz  
Chief Executive Officer



01

Grow existing business

02

Open up new channels  
and markets

03

Capture new  
opportunities within  
helmet safety



First of all:  
We have the **vision**

We have the opportunity

We have the capabilities



Let's get going



It's time to become  
the true leader in  
helmet safety





Safety for helmets