

APRIL 28, 2022



MIPS Q1 presentation





# Key highlights

- Strong start of the year with 65% net sales growth (48% organic)
- Good performance in all our three categories
- Strong improvement in EBIT, driven by higher sales
- Challenging supply chain in the quarter, mainly due to covid-related shutdowns in China. Limited impact on sales
- Partnership with uvex safety group announced in April, MIPS first global top five brand in Safety
- Strategic and financial targets review progressing, Capital Markets Day planned 9<sup>th</sup> of June



# Sports: bicycle

## – Good growth in the quarter

- Continued good sales performance in bicycle helmets
- Demand mainly in mid and high-end helmets
- Capacity in helmet factories is expected to be in balance again in H2
- Retail inventory is expected to normalize by end of Q2, in line with previous communication





# Sports: snow

## – strong start of the year

- Strong growth in the first quarter. Good consumer sales in all key markets
- MIPS continues to outperform the market, with existing and new customers rolling out MIPS technology in a larger part of their assortment
- The good demand for snow helmets is expected to continue

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# Moto – strong performance in the quarter

- Strong growth in the quarter with 150% growth, partly from new orders but also due to carry over orders from previous year
- Several activities launched in retail to strengthen MIPS awareness in Moto
- Good consumer demand expected coming quarters

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# Safety – first global top five customer announced

- Continued good development in Safety, with an even higher interest in MIPS in this category
- In April we announced our partnership with uvex safety group, one of the global top five Safety brands in the world
- In total ten partnerships announced in the Safety category
- We expect that volumes will start to increase during the year



# Challenging supply chain

- The supply chain continued to be challenging during the quarter, however limited impact on sales
- Key issue during the quarter was covid-related shutdowns in China
- Limited impact on increased raw material prices, but longer-term expectation is that we will see cost inflation
- We expect the supply chain to remain unpredictable also coming quarters





# Development in our different categories



## SPORTS



## MOTO



## SAFETY



### First quarter

Revenue, SEKm	125 (78)
Growth, %	60
No. of brands	133 (109)

### First quarter

Revenue, SEKm	11 (4)
Growth, %	150
No. of brands	30 (27)

### First quarter

Revenue, SEKm	1 (1)
Growth, %	-
No. of brands	8 (3)

MIPS has in total 147 customers (a customer can be active in several categories but only counted once in the “total customer” number)



# Development in the first quarter

- Net Sales increased by 65%, organic growth was 48%
- Gross profit up 65% and a gross margin of 72.5% (72.5)
- OPEX – continue to invest in strategic priorities
- EBIT up 57% to SEK 62m (39), EBIT margin 45.3% (47.4)
- Cash flow – operating cash flow of SEK 37m (69)

MIPS Group (SEKm)	Q1 22	Q1 21	▲
Net sales	137	83	65%
Gross profit	99	60	65%
Gross margin %	72.5%	72.5%	0.0 pp
Operating profit (EBIT)	62	39	57%
Operating margin (EBIT) %	45.3%	47.4%	-2.1 pp
Cash flow from operating activities	37	69	-46%

Organic growth  
**48%**

EBIT margin  
**45%**

Operating cash flow  
**37**  
SEKm

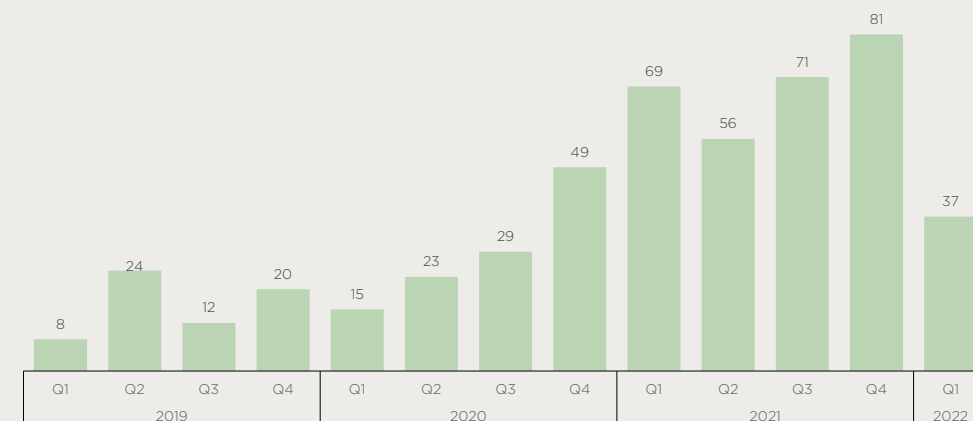


# Balance sheet and cash flow

- Cash and Cash Equivalents at SEK 478m (341)
- Dividend of SEK 5.00 (3.50) per share proposed. Corresponding to 51% of net earnings
- Equity ratio 80% (84)



## CASH FLOW FROM OPERATING ACTIVITIES (SEKm)



## KEY BALANCE SHEET ITEMS AND CASH FLOW

MIPS Group (SEKm)	Q1 22	Q1 21	FY 21
Total Assets	786	535	756
Equity	627	449	577
Equity ratio %	80%	84%	76%
Cash & Equivalents	478	341	450

MIPS Group (SEKm)	Q1 22	Q1 21	FY 21
Cash flow from operating activities	37	69	277



# Summary

- Great start of the year, despite a challenging environment
- Good performance in Sports and Moto
- First global partnership announced in Safety
- Supply chain expected to remain unpredictable during the year
- We foresee good consumer demand for MIPS products in 2022 in all our categories
- Outcome of financial targets and strategy review will be presented at a Capital Markets Day on 9<sup>th</sup> of June



Net sales and EBIT-margin 12 months rolling



\*Adjusted for costs relating to acquisitions during 2019 and first and second quarter 2020.





# Q&A



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