

21 JULY 2022

**Mips**

Mips' presentation of the  
Q2 2022 interim report





## Key highlights

- Strong second quarter with net sales growth of 45% (25% organic)
- Good development in all our categories, despite challenging market conditions
- Strong improvement in EBIT, mainly from higher sales
- No disruption in supply chain during the quarter
- New strategy and financial targets presented at CMD in June. The new financial targets are: More than SEK2bn in net sales by 2027, deliver an EBIT margin above 50% and distribute more than 50% of net earnings in dividend payout.



## Strong sales in the quarter mainly driven by strong sales in snow helmets

- Good quarter in Sport with 48% growth, YTD sales growth now at 52%
- Snow continue to be the main driver of growth
- Growth in bike during the quarter
- Retail inventory of bicycle helmets now restored, however unbalanced inventory
- Good momentum with record high number of customer implementation projects
- Short term uncertainty in bike expected, longer term the Sports category outlook remains strong

Good development in Moto,  
despite a very strong prior year  
comparator

- Growth of 14% in the quarter despite a very strong prior year comparator (370%)
- Good development in both on and off-road helmets
- Moto sales increased significantly during last quarters and is becoming a more material part of Mips sales



Still modest sales, however pipeline filling up and volume will be more material throughout the year

- In total 10 different brand that has launched helmets with Mips so far
- Partnership with UK:s largest distributor Arco announced during the quarter
- Organization being established to drive awareness and sell through in Safety
- No change to previous communication, volume will increase in 2022





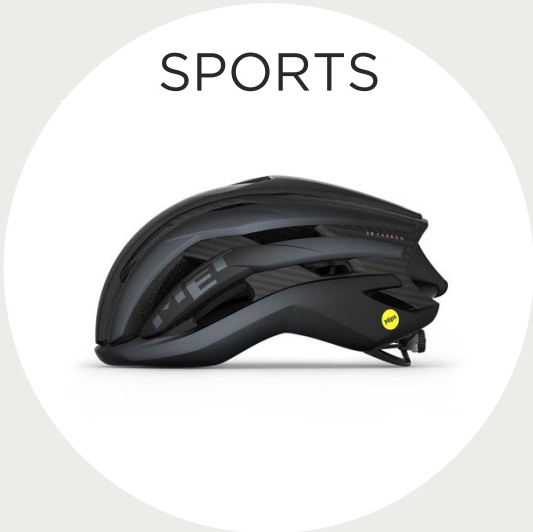
## Supply chain

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- Supply chain remained challenging during the quarter, however low impact on sales
- Limited impact from raw material cost increases. Cost inflation expected long term.
- Supply chain expected to remain unpredictable coming quarters

CATEGORIES

# Development in our categories



Sports	Q2	YTD
Revenue SEKm	194 (131)	319 (209)
Growth %	48	52

Moto	Q2	YTD
Revenue SEKm	11 (10)	23 (14)
Growth %	14	56

Safety	Q2	YTD
Revenue SEKm	1 (0)	1 (1)
Growth %	54	30

# Development in the second quarter

	Q2 22	Q2 21	▲
Net sales	206	142	45%
Gross profit	151	105	45%
Gross margin %	73.4	73.8	-0.4pp
Operating profit (EBIT)	107	72	48%
Operating margin (EBIT) %	51.7	50.7	1.1pp
Cash flow from operating activities	55	56	-1%

- Strong development in the second quarter with 45% net sales growth (25% organic)
- OPEX – continue to invest in strategic priorities
- EBIT up 48% to SEK 107m (72), EBIT margin 51.7% (50.7)

25%  
Organic growth

52%  
EBIT margin

55  
Operating Cash flow  
(SEKm)





FINANCIAL PERFORMANCE

# Development first six month

	YTD 22	YTD 21	▲
Net sales	343	225	53%
Gross profit	250	165	52%
Gross margin %	73.0	73.3	-0.3pp
Operating profit (EBIT)	168	111	52%
Operating margin (EBIT) %	49.1	49.5	-0.3pp
Cash flow from operating activities	92	125	-26%

- Strong development for the first six months with 53% net sales growth (33% organic)
- OPEX – continue to invest in strategic priorities
- EBIT up 52% to SEK 168m (111), EBIT margin 49.1% (49.5)

33%

Organic growth

49%

EBIT margin

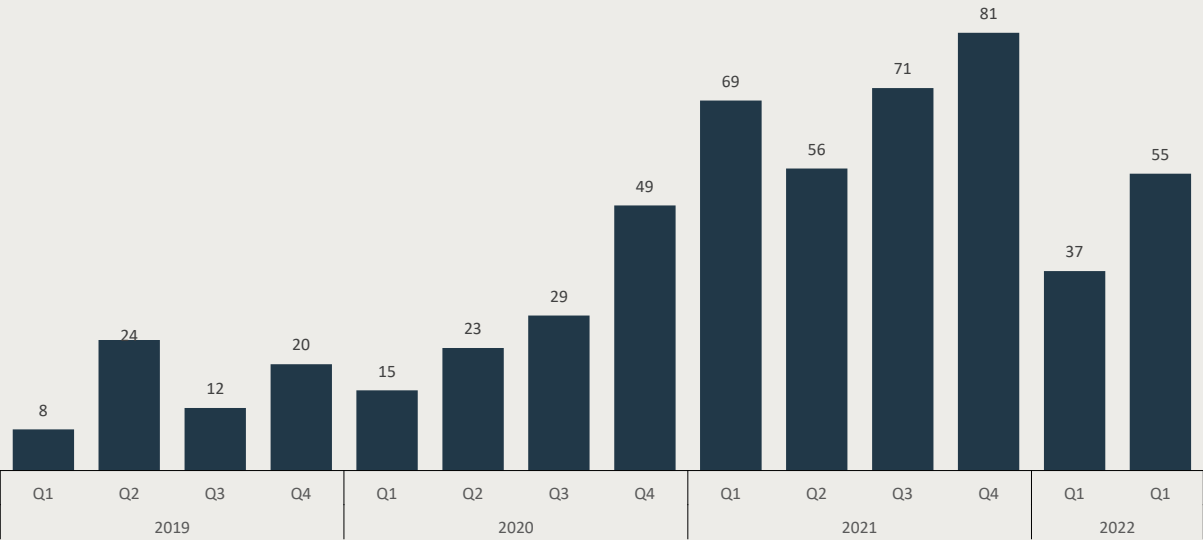
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Operating Cash flow  
(SEKm)

# Balance sheet and cash flow

- Cash and Cash Equivalents at SEK 398m (302)
- Cash flow of 55 (56), net sales increase offset by increase in accounts receivables
- Dividend of SEK 5.00 (3.50) per share paid out in May

Cash flow from operating activities (SEKm)



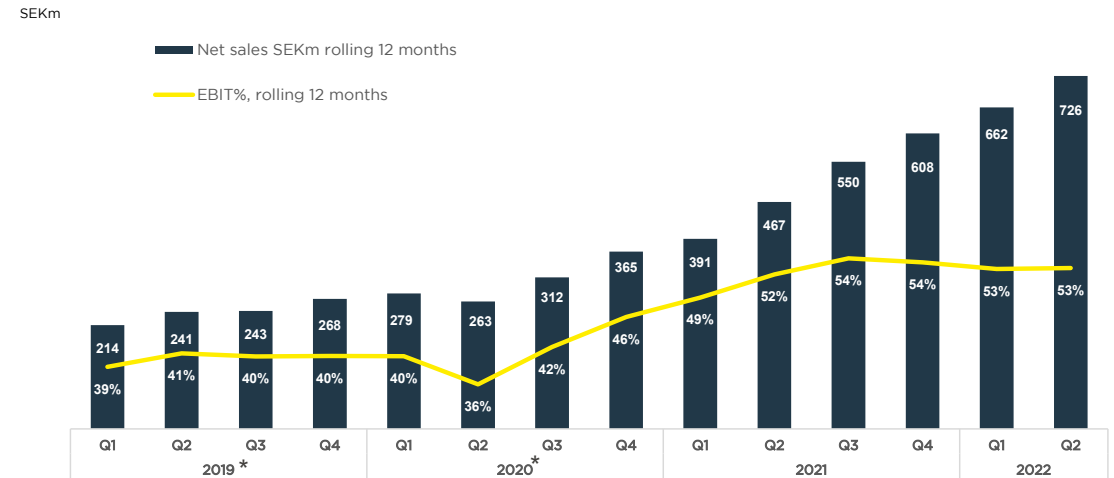
Mips group (SEKm)	Q2 22	Q2 21	FY 21
Total assets	770	524	756
Equity	568	413	577
Equity ratio %	73.7	78.8	76.3
Cash & Equivalents	398	302	450
Cash flow from operating activities	55	56	277



# Summary

- Record sales in the quarter with improved profitability
- Overall good demand for Mips products. Bike demand unpredictable short-term, longer-term demand is expected to remain strong. Moto and Safety will become a more material part of Mips sales.
- Continued high amount of new helmet implementation projects. Strong momentum in all three categories.
- New strategy and financial targets launched at CMD in June. Fully on track to deliver against those targets.

Mips



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

# Q&A





Safety for helmets

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