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

- Supply chain remained challenging during the quarter, however low impact on sales
- Supply chain expected to remain unpredictable coming quarters
## Development in our categories

<table>
<thead>
<tr>
<th>Categories</th>
<th>Q2 Revenue (SEKm)</th>
<th>YTD Revenue (SEKm)</th>
<th>Growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sports</strong></td>
<td>194 (131)</td>
<td>319 (209)</td>
<td>48</td>
</tr>
<tr>
<td><strong>Moto</strong></td>
<td>11 (10)</td>
<td>23 (14)</td>
<td>14</td>
</tr>
<tr>
<td><strong>Safety</strong></td>
<td>1 (0)</td>
<td>1 (1)</td>
<td>54</td>
</tr>
</tbody>
</table>

Growth %:
- Sports: 48%
- Moto: 14%
- Safety: 54%
## Development in the second quarter

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

- **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)
FINANCIAL PERFORMANCE

Development first six month

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

- 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)
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
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.

*Adjusted for costs relating to acquisitions during 2019 and first and second quarter 2020.
Q&A
Mips
Safety for helmets
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