

26 April 2023



Mips

Mips' Q1 2023 Interim Report presentation



Key highlights

- Expected soft bike market affected sales and profit in the first quarter. Net sales was down 35%, adjusting for currency effects organic growth was down 41%.
- Strong growth excluding bike related sales
- Soft start of season in bike due to cold weather, assumption of gradual recovery in Q2 remains. Long-term outlook unchanged.
- Good outlook in the Moto and Safety categories
- Continuous investments behind our strategic initiatives positions us well to deliver future growth
- We remain confident in delivering on our long-term strategy and financial targets

Strong winter sport season ended, challenging market in bike

- Challenging quarter in Sports with a decrease in net sales of 38%
- Bike is the driver of the decline in the quarter, the other helmet types in Sport showed strong growth
- We do expect a gradual improvement of the bike market during the second quarter
- Long-term positive outlook for bike remains

Soft development in the quarter, long-term outlook remains

- Soft development in the quarter in Moto with a decrease in net sales of 33%
- Great attention in the market thanks to new Moto GP rider equipped with a helmet with Mips® safety system
- The long-term outlook for Mips in the Moto category remains strong





Strong development in line with our ambitious plans

- Good performance in Safety and we are following our ambitious plan
- In total 12 different brands have launched partnership with Mips
- Platform to generate volumes established. 2023 is all about sell-through.

CATEGORIES

Development of net sales in our categories



Sport	Q1
Revenue SEKm	78 (125)
Growth %	-38



Motorcycle	Q1
Revenue SEKm	7 (11)
Growth %	-33



Safety	Q1
Revenue SEKm	3 (1)
Growth %	275



FINANCIAL PERFORMANCE

Development in the first quarter

SEKm	Q1 23	Q1 22	▲
Net sales	88	137	-35%
Gross profit	62	99	-37%
Gross margin %	70.8	72.5	-1.7pp
Operating profit (EBIT)	15	62	-75%
Operating margin (EBIT) %	17.5	45.3	-27.8pp
Cash flow from operating activities	-42	37	-

- Soft development in the first quarter with a decrease in net sales by 35%, adjusting for FX, sales decreased 41% organically
- Gross profit decreased with 37%. Gross margin of 70.8% (72.5), despite negative impact from decrease in net sales.
- OPEX – continue to invest in strategic priorities. Negative impact of SEK 5m from FX under other operating cost.
- EBIT down 75% to SEK 15m (62), EBIT margin 17.5% (45.3)
- Negative operating cash flow in the first quarter due to decreased earnings and tax payments relating to 2021 profit

-41%

Organic growth

17.5%

EBIT margin

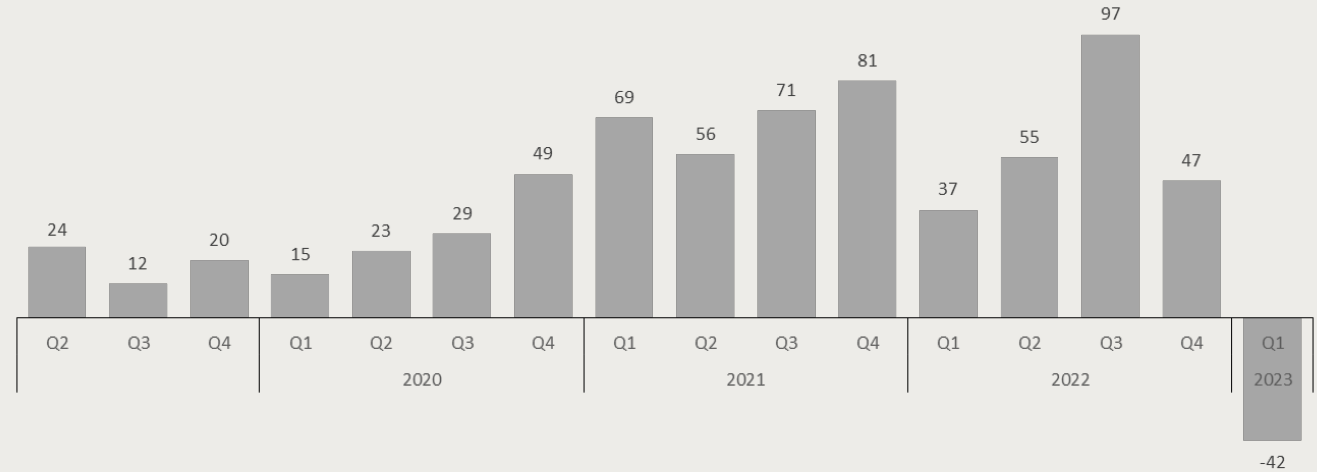
-42

Operating Cash flow (SEKm)

Balance sheet and cash flow

- Cash and Cash Equivalents at SEK 487m (478). Mips does not hold any loans.
- Operating cash flow in the quarter amounted to SEK -42m (37), related to decrease in earnings and paid tax
- Dividend of SEK 5.50 (5.00) per share, being proposed. Corresponding to 82% of net earnings for 2022.

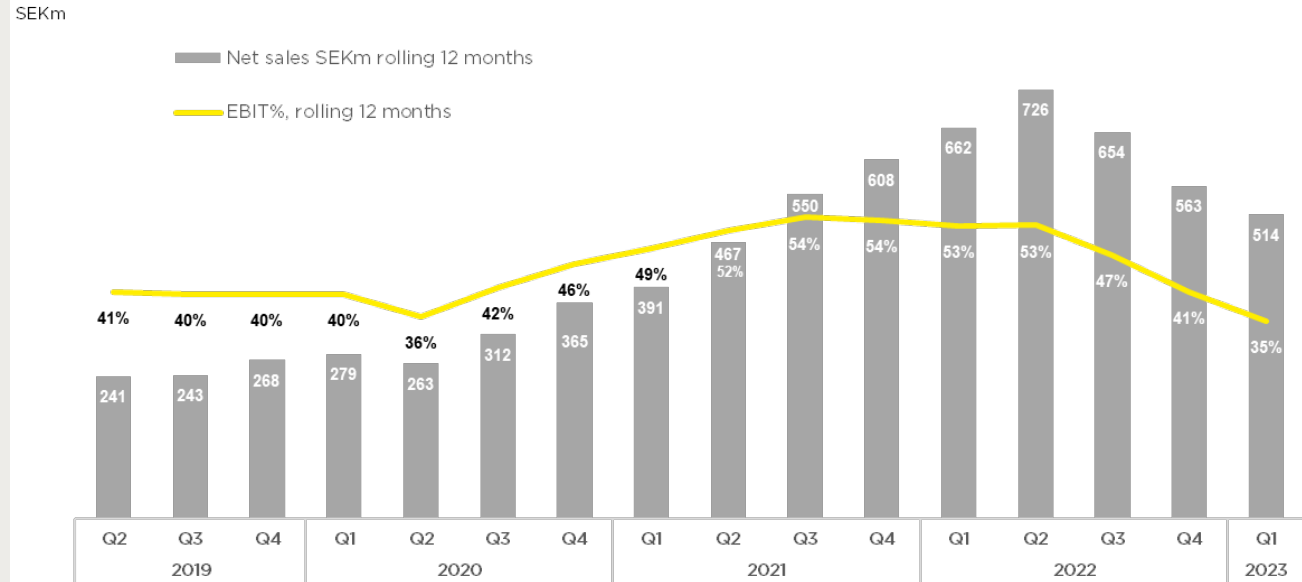
Cash flow from operating activities (SEKm)



Mips group (SEKm)	Q1 23	Q1 22	FY 22
Total assets	733	786	767
Equity	645	627	626
Equity ratio %	88	80	82
Cash & Equivalents	487	478	532
Cash flow from operating activities	-42	37	236

Summary

- Challenging quarter, good performance excluding bike
- Gradual recovery of the bike market during the second quarter expected
- Good outlook in both Safety and Moto in 2023
- Continued investments in our strategic priorities to deliver on long-term strategic plan
- Confident to deliver on our long-term financial targets



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

Q&A



Safety for helmets

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