



Mips' presentation of the
Year-end Report 2022

9 February 2023



Key highlights

- Net sales in fourth quarter down 46%, adjusting for currency effects organic growth was down 53%. YTD sales decrease 7%. Decline fully explained by soft demand in Bike.
- Soft demand in Bike expected to start normalizing during spring. Long term outlook still positive.
- Strong demand expected in the Moto and Safety categories
- Proposed dividend of SEK 5.50 (5.00) per share, corresponding to 82% of net earnings
- Continued investments behind our strategic priorities to deliver on long-term strategic plan
- No major disruption in supply chain during the quarter despite significant Covid outbreak at the end of the year in China
- We remain confident in delivering on our long-term strategy and financial targets

Mixed development with challenging bike end market but a strong snow market

- Challenging quarter in Sport with a decrease in net sales of 50%, YTD net sales decrease with 10%
- Bike is the main contributor with a decrease in sales by 59% during the quarter. Strong year in snow with 85% growth for the year.
- Retail inventory of bike helmets still somewhat unbalanced but is expected to normalize during spring. Long term positive outlook for bike remains.
- Record number of customer implementation projects in 2022

Good progress and first helmet in Moto GP

- Growth of 33% in the quarter, YTD growth 35%
- Good development in both on- and off-road helmets
- First helmet in Moto GP launched with Kabuto during the quarter
- We continue to see good development with existing brands but also significant number of new brands and models.





Established a strong customer base, will increase volume going forward

- In total 11 different brands that have launched partnership with Mips
- Organization established to drive awareness and sell through in Safety
- Partnership with second global brand Delta Plus announced in beginning of February 2023
- Platform to generate volumes established. 2023 is all about sell through.





Supply chain

Mips

- Significant Covid outbreak at the end of the year in China however, limited financial impact
- Supply chain expected to remain unpredictable coming quarters



New product launches

- We have ramped up our investments in product development last years and we launched three new technologies during the year.
- Air Node was launched with world leading bicycle brand Specialized at Tour de France. It is our lightest solution and will be offered as an after-market product.
- Integra Split a fully integrated Mips solution that can be offered with dual density capability. Launched with world leading off-road brand FOX in August.
- Integra TX was launched with Kabuto at the Motorcycle fair EICMA, the world largest Motorcycle fair in Milan in November. Integra TX is fully integrated into the padding and can be implemented into most helmets.
- All solutions well received on the market and will be great additions to the Mips technology platform

Mips Low Friction Layer





New Graphic Design



- As we are an ingredient brand, we want to elevate the products we are integrated in
- We have therefore reworked our whole product portfolio with a completely new graphic design
- Implementation has started and we will continue the roll out to our customers during 2023



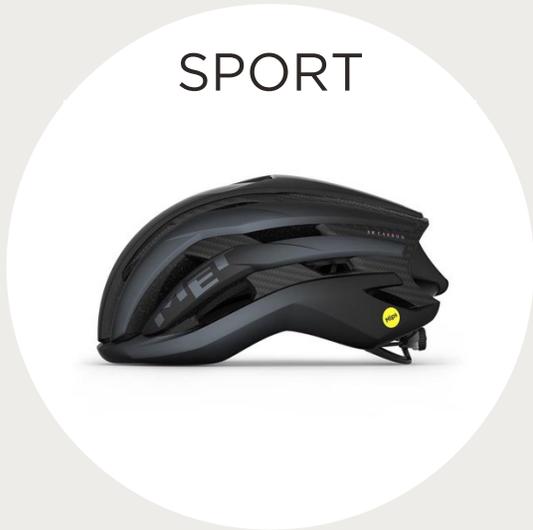
Sustainability



- 2022 was the year to create a strong platform for our work within sustainability
- Our work has been focused around three key areas:
 - SBTi - where we will report our progress
 - Signed up for UN Global Compact 10 principles
 - Offer more Circular product offerings - Recycled materials introduced

CATEGORIES

Development in our categories



Sport	Q4	YTD
Revenue SEKm	95 (190)	511 (570)
Growth %	-50	-10

Moto	Q4	YTD
Revenue SEKm	10 (8)	47 (35)
Growth %	33	35

Safety	Q4	YTD
Revenue SEKm	3 (1)	4 (3)
Growth %	-	-



Development in the fourth quarter

	Q4 22	Q4 21	▲
Net sales	107	198	-46%
Gross profit	77	145	-47%
Gross margin %	72.3	73.0	-0.7pp
Operating profit (EBIT)	24	104	-77%
Operating margin (EBIT) %	22.0	52.6	-30.6pp
Cash flow from operating activities	47	81	-43%

- Soft development in the fourth quarter with a decrease in net sales by 46%, adjusting for FX, sales decreased 53% organically
- OPEX - continue to invest in strategic priorities
- Negative impact of SEK 11m from FX under other operating cost
- EBIT down 77% to SEK 24m (104), EBIT margin 22.0% (52.6)

-53%

Organic growth

22%

EBIT margin

47

Operating Cash flow (SEKm)



FINANCIAL PERFORMANCE

Development for the year

	YTD 22	YTD 21	▲
Net sales	563	608	-7%
Gross profit	406	445	-9%
Gross margin %	72.1	73.2	-1.1pp
Operating profit (EBIT)	229	326	-30%
Operating margin (EBIT) %	40.7	53.6	12.9pp
Cash flow from operating activities	236	277	-15%

- Net sales during the year decreased with 7%, adjusting for FX sales decreased 19% organically
- OPEX - continue to invest in strategic priorities
- EBIT down 30% to SEK 229m (326), EBIT margin 40.7% (53.6)

-19%

Organic growth

41%

EBIT margin

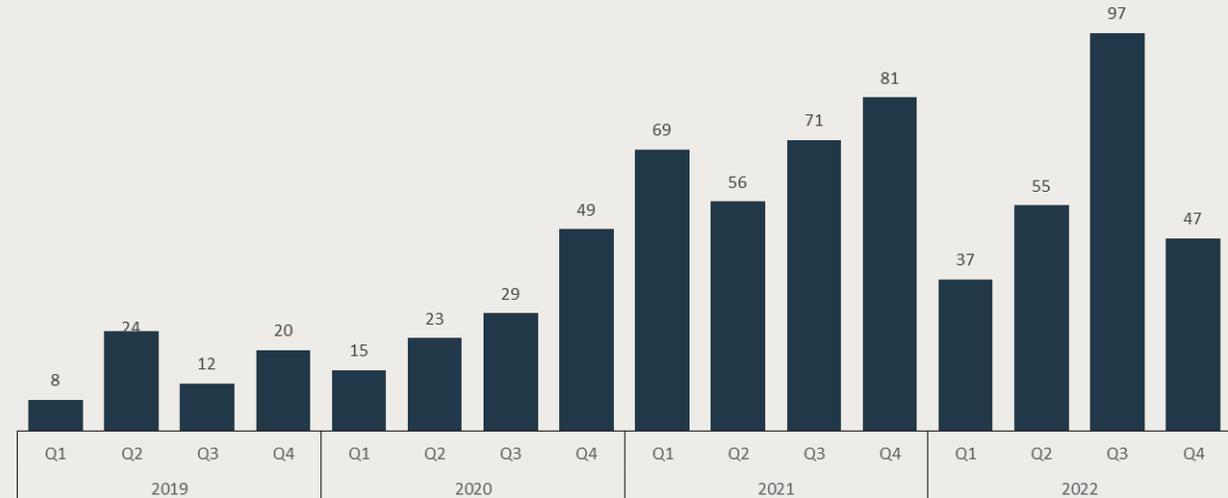
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Operating Cash flow (SEKm)

Balance sheet and cash flow

- Cash and Cash Equivalents at SEK 532m (450)
- Cash flow in the quarter amounted to SEK 47m (81)
- Dividend of SEK 5.50 (5.00) per share, being proposed. Corresponding to 82% of net earnings.

Cash flow from operating activities (SEKm)



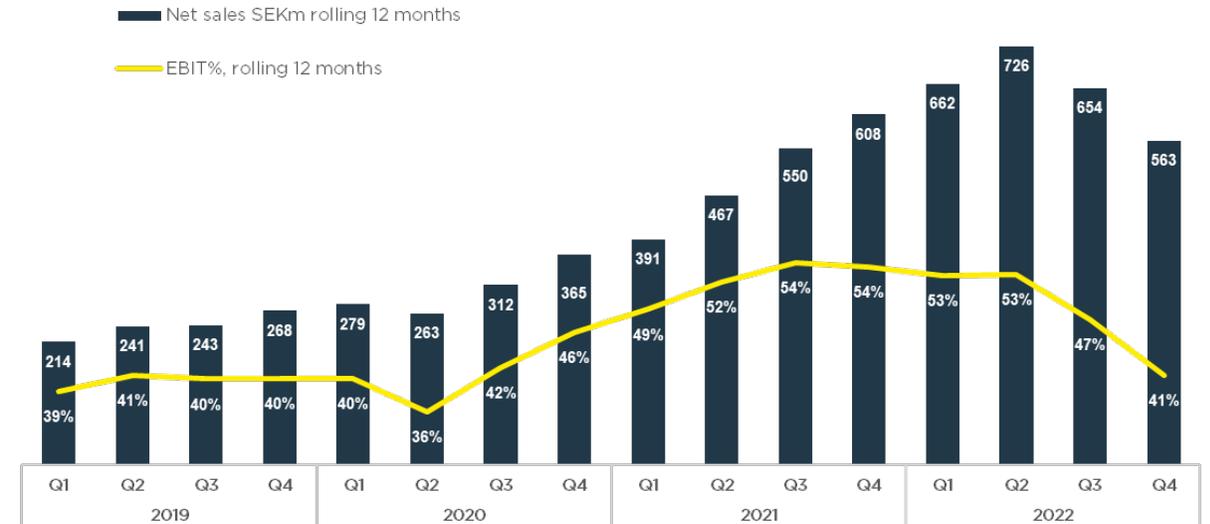
Mips group (SEKm)	Q4 22	Q4 21	FY 22	FY 21
Total assets	767	756	767	756
Equity	626	577	626	577
Equity ratio %	82	76	82	76
Cash & Equivalents	532	450	532	450
Cash flow from operating activities	47	81	236	277

Summary

- Fourth quarter concludes a challenging but, in many ways, a successful year
- Soft bike market expected to remain into spring, lower impact from bike short term due to change of mix
- 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



SEKm



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

Q&A



Safety for helmets

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