

8 February 2024

**Mips**

Mips' presentation of the  
Year-end Report 2023





## Key highlights

**Mips**

- Soft quarter with a decline of 15% in net sales, adjusting for currency effects organic growth down 13%.
- Trend change vs. previous quarters with growth in the bike sub-category, restrained ordering in snow and challenging situation in Moto remains.
- Positive momentum in orders received continues and high customer activity remains. No change to previous assumption of recovery in 2024.
- Still short-term uncertainty in the retail environment, especially in e-tail. Limited impact so far from Red Sea crisis.
- Proposed dividend of SEK 6.00 (5.50) per share, corresponding to 249% of net earnings.
- We remain confident in the delivery of our long-term strategy and our financial targets.





## Sport – growth in bike, hesitant behavior in snow

- Challenging quarter in Sport with a decrease in net sales of 10%, fully explained by soft snow sub-category, bike back to growth again in the quarter.
- Bike sub-category progressing well. We continue to see positive order momentum in bike and our previous assumption of recovery in bike remains.
- We do see more careful ordering in snow, despite a good start of the season especially in Europe. Reluctancy to carry any stock into next season.
- Long-term positive outlook in the Sport category remains.



## Soft performance in Moto continues

- Soft development in the quarter in Moto with a decrease in net sales of 66%.
- We do see a more cautious retail environment especially for the important US market. Softer performance to remain near-term.
- We have launched several initiatives to improve sell through and awareness of Mips in the category.
- We will see gradual recovery but expect next quarter to remain soft.
- No change in long-term outlook, strong interest for Mips in the category, supported by new partnerships and new models being launched during coming quarters.







## Continued strong development in line with our ambitious plan

- Good momentum in Safety continues and we are following our plan.
- We continue to see good interest in both the US and the European market.
- 6 new models equipped with the Mips technology launched at the large US tradeshow, World of Concrete, which means that there is now 21 helmet models, equipped with the Mips technology in the market.
- Strong customer platform now established in Safety to support delivery of our long-term plan.



## Great delivery meeting our sustainability targets

All key sustainability targets for 2023 were met

- Emission reduction of more than 20% during the year, ahead of our SBTi ambition.
- Third party audits delivered in full to strengthen alignment with UN Global Compact.
- Conversion program to use recycled Polycarbonate fully implemented in our most sold Mips product.



CATEGORIES

# Development of net sales in our categories

SPORT



Sport	Q4	YTD
Revenue SEKm	85 (95)	323 (511)
Growth %	-10	-37

MOTO



Motorcycle	Q4	YTD
Revenue SEKm	3 (10)	22 (47)
Growth %	-66	-53

SAFETY



Safety	Q4	YTD
Revenue SEKm	3 (2)	12 (4)
Growth %	5	181

# Development in the fourth quarter

SEKm	Q4 23	Q4 22	▲
Net sales	91	107	-15%
Gross profit	64	77	-17%
Gross margin %	70.2	72.3	-2.0pp
Operating profit (EBIT)	17	24	-27%
Operating margin (EBIT) %	18.8	22.0	-3.2pp
Cash flow from operating activities	31	47	-33%

- Soft development in the fourth quarter with a decrease in net sales by 15%, adjusting for FX, net sales decreased 13% organically.
- Gross profit decreased with 17%. Gross margin of 70.2% (72.3), decrease due to increased share of implementation revenue.
- OPEX – continued to invest in strategic priorities
- EBIT down 27% to SEK 17m (24), EBIT margin 18.8% (22.0)
- Operating cash flow of SEK 31m (47)

-13%

Organic growth

19%

EBIT margin

31m

Operating Cash flow





# Development for the full year

SEKm	YTD 23	YTD 22	▲
Net sales	357	563	-37%
Gross profit	253	406	-38%
Gross margin %	70.9	72.1	-1.2pp
Operating profit (EBIT)	70	229	-69%
Operating margin (EBIT) %	19.7	40.7	-21.0pp
Cash flow from operating activities	11	236	-95%

- Net sales during the full year decreased with 37%, adjusting for FX, sales decreased 39% organically.
- OPEX – continued to invest in strategic priorities
- EBIT down 69% to SEK 70m (229), EBIT margin 19.7% (40.7).
- Operating cash flow of SEK 11m (236) due to decreased earnings in 2023 and paid tax for high earnings in 2021.

-39%

Organic growth

20%

EBIT margin

11m

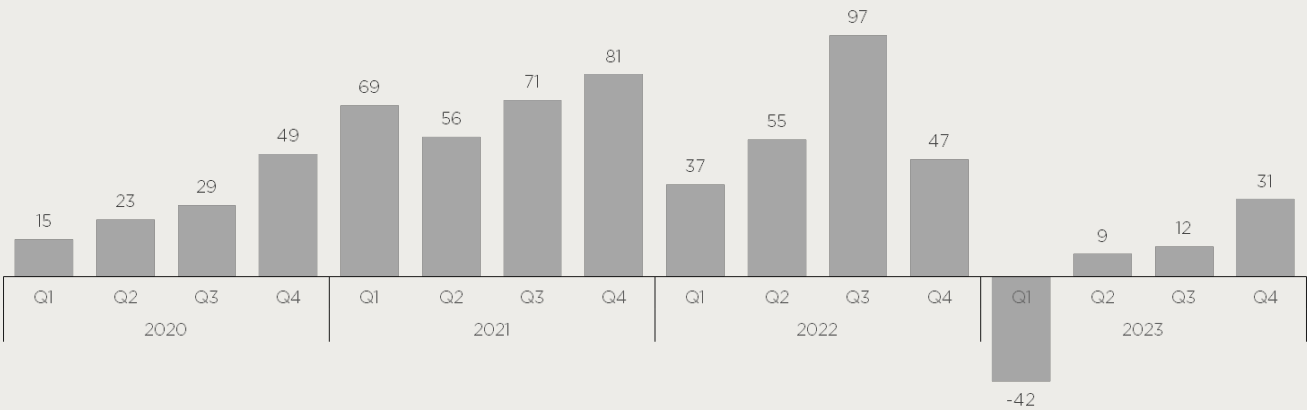
Operating Cash flow



# Balance sheet and cash flow

- Cash and Cash Equivalents at SEK 408m (532). Mips does not hold any loans.
- Operating cash flow in the quarter amounted to SEK 31m (47).
- Dividend of SEK 6.00 (5.50) per share, being proposed. Corresponding to 249% of net earnings.

Cash flow from operating activities (SEKm)



Mips group (SEKm)	Q4 23	Q4 22	YTD 23	YTD 22
Total assets	738	767	738	767
Equity	657	626	657	626
Equity ratio %	89	82	89	82
Cash & Equivalents	408	532	408	532
Cash flow from operating activities	31	47	11	236

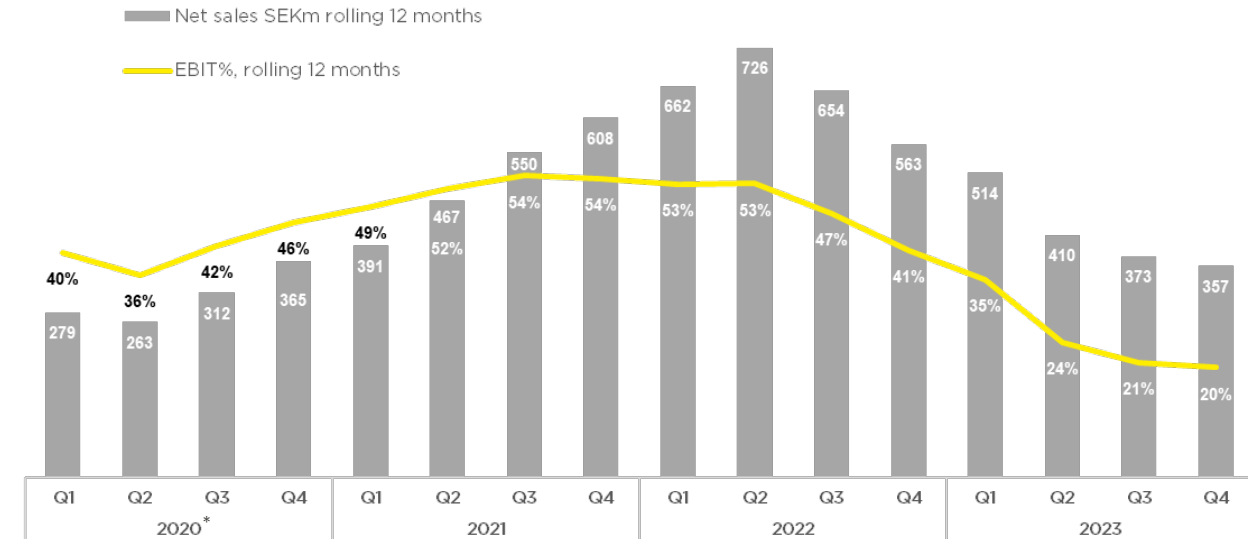


# Summary

- Soft quarter but change in trends. Good to see the important sub-category bike back in growth again.
- We do expect recovery throughout 2024. Our assumption is that our sales will reflect market sell out, rather than our customer de-stocking.
- Increase in dividend proposed. Strong financial position and confidence in our strategy and our long-term financial targets.

Mips

SEKm



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



# Q&A



Safety for helmets



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