



# Q4

20/21



# FY 2020/21: EXCEPTIONAL YEAR WITH STRONG GROWTH AND IMPROVED PROFITABILITY

Presented by:



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CFO

# AGENDA

- THIS IS REVOLUTIONRACE
- QUARTERLY HIGHLIGHTS
- FINANCIAL PERFORMANCE
- OPERATIONAL UPDATE
- SUMMARY
- Q&A





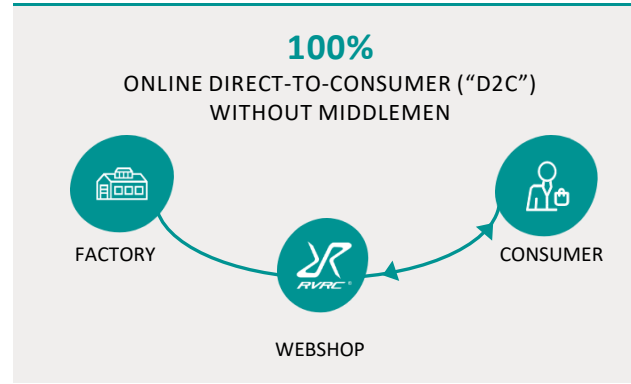
# THIS IS REVOLUTIONRACE

# REVOLUTIONRACE IS A DIGITAL NATIVE GLOBAL D2C ACTIVE OUTDOOR LIFESTYLE BRAND

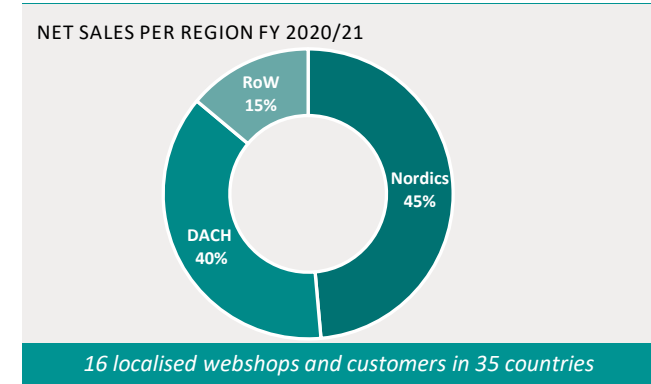
Great products with unmatched value...



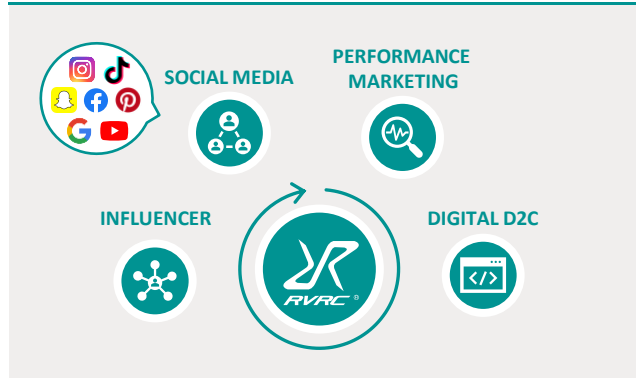
...enabled through digital D2C business model...



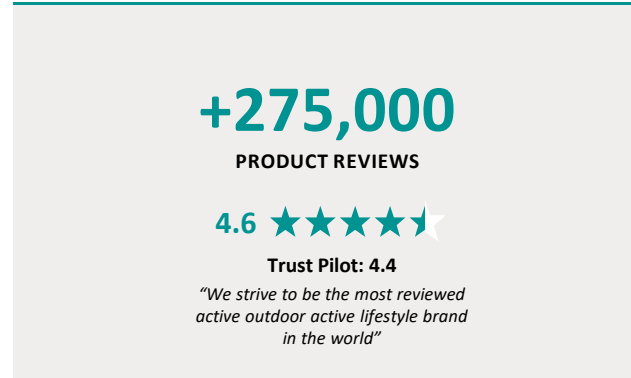
...sold globally...



...with 360 digital marketing...



...to highly engaged and loyal customers...



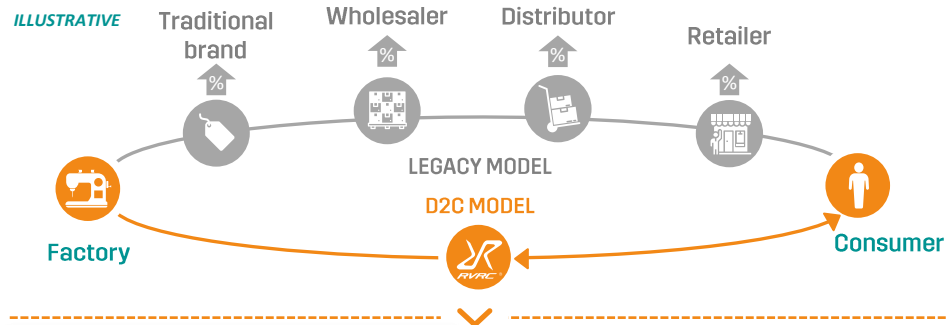
...resulting in impressive financial performance

	FY 2020/21	FY 2019/20	FY 2018/19
Net sales	SEK 897m	SEK 387m	SEK 284m
Growth	132%	36%	-
Adj. EBIT margin	27.6%	21.5%	20.1%
# of orders	1,176k	534k	409k
AOV	SEK 763	SEK 724	SEK 697

Growth rate for 2018/2019 unavailable due to lack of comparable data in 2017/18.

SET OUT TO REVOLUTIONISE THE OUTDOOR INDUSTRY WITH GREAT FIT, AWESOME PRODUCTS AND UNMATCHED VALUE

# LEVERS THAT EXPLAIN THE SUCCESS OF D2C



**100% MARGIN RETENTION**

# KEY D2C SUCCESS FACTORS

- UNMATCHED PRODUCT VALUE FOR CUSTOMERS AND HIGHER MARGIN FOR RVRC
- SHORT TIME-TO-MARKET FOR NEW PRODUCTS AND NEW GEOGRAPHIES
- SOCIAL MEDIA MARKETING EXPERT
- EXCEPTIONAL DIRECT CUSTOMER DIALOGUE AND GLOBAL ENGAGED BRAND COMMUNITY
- GREAT CUSTOMER EXPERIENCE
- FLEXIBLE AND SCALABLE BUSINESS MODEL
- 100% BRAND CONTROL
- FULL CUSTOMER DATA OWNERSHIP OPTIMISING PLATFORM
- EXCLUSIVE CHANNEL – LOYAL CUSTOMER BASE

# OPERATIONAL INSIGHTS

# KEY HIGHLIGHTS 2020/21

- Very strong year with double to triple digit net sales growth in all markets. Full year sales growth of 132%
- Region DACH shows exceptional development led by Germany where net sales grew by 178% in FY 2020/21
- Adjusted EBIT 252.2 MSEK (83.1) → +203%
- Move to a new central warehouse in Sweden and implementation of new logistics system to meet current strong demand
- More markets making meaningful contribution
- Strong performance despite challenges from a globally strained supply and logistics situation following the pandemic
- On June 16th, RevolutionRace was listed on Nasdaq Stockholm, a historical milestone for the company.

132%

Net sales growth



27.6%

Adjusted EBIT-margin



0.64 SEK/share

Proposed dividend



16 June

First day of trading at NASDAQ  
Stockholm





# QUARTERLY HIGHLIGHTS 2020/2021

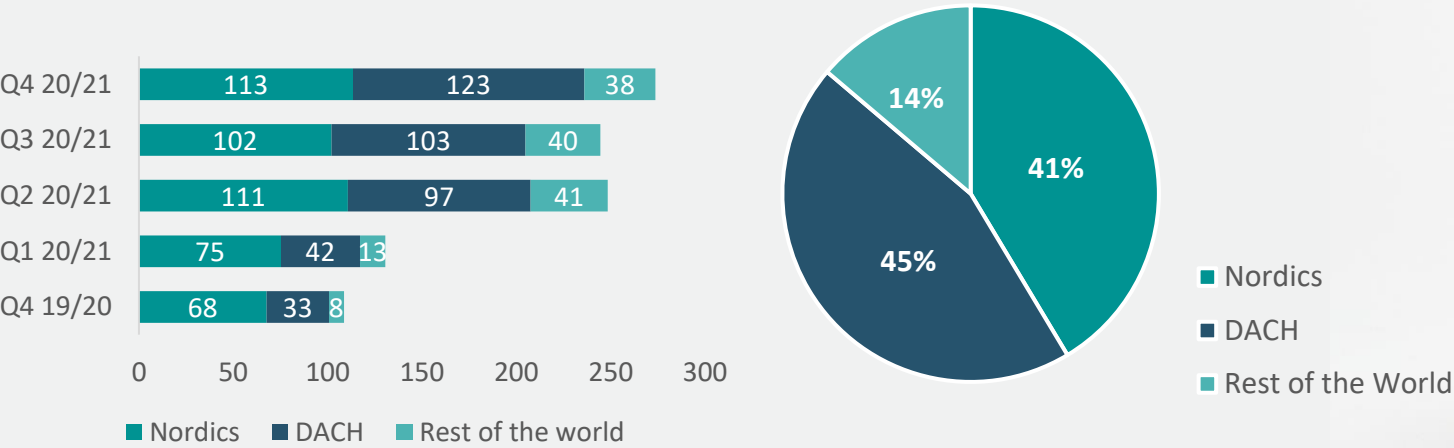
- Exceptional development with 152% net sales growth and 28.3% (21.5) adjusted EBIT-margin
- Adjusted EBIT 79.0 MSEK (23.0), close to FY 2019/20 EBIT of 83.1 MSEK
- Growth driven by strong brand position, successful roll-out of new products and our ability to communicate with customers in all markets and through various digital channels
- Demand for multifunctional clothes in the urban environment and interest for local outdoor activities remain high
- Impact from a globally strained supply and logistics situation remain in Q4, leading to lower inventory levels than desired
- Focus on restoring inventory levels will continue in 2021/22



# MARKET DEVELOPMENT

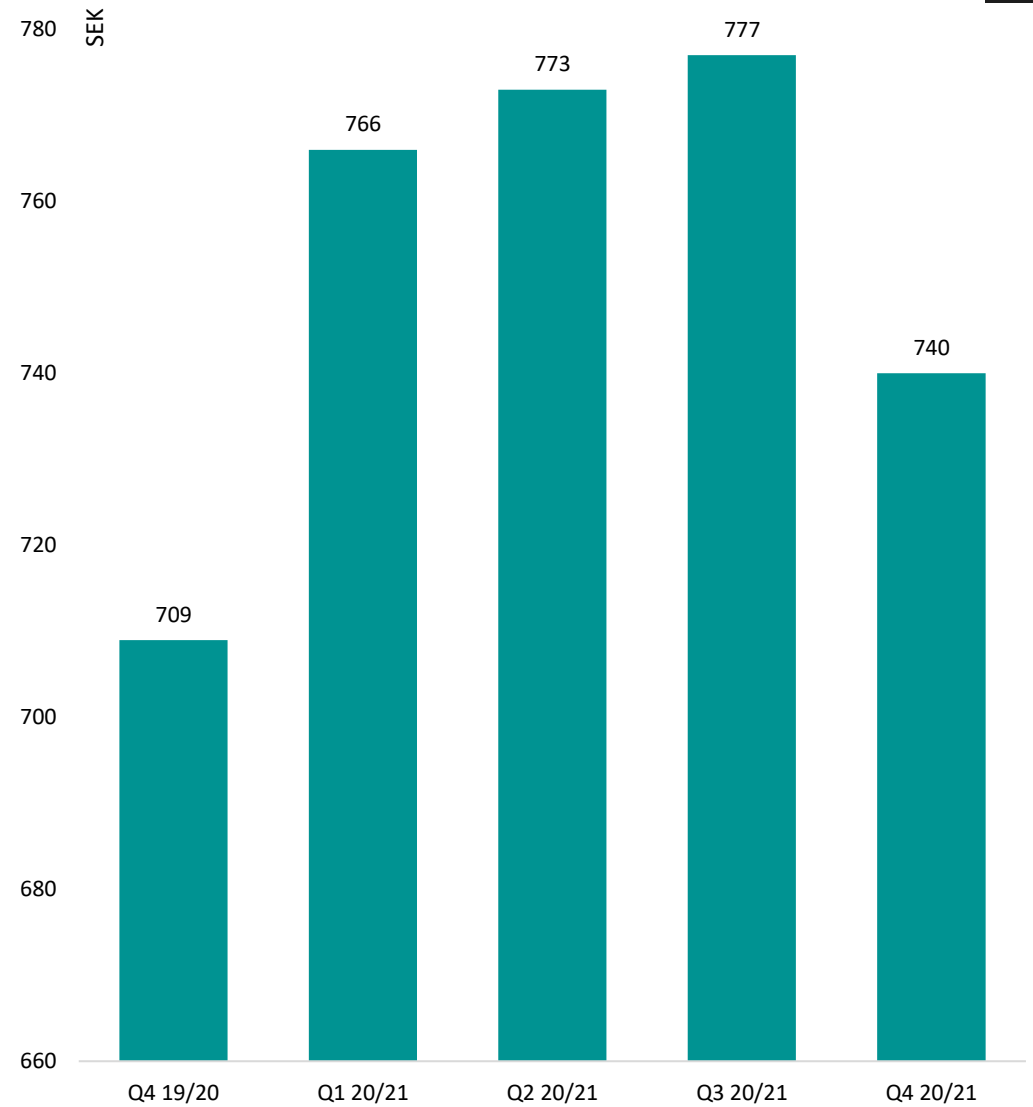
- Strong development in all three regions, all markets contributing to growth with double to triple digits
- Germany, our largest market, remains the locomotive for growth, +296% in Q4
- Continued strong growth in the Nordics, +68% in Q4
- Launch of local web shops in Belgium, Ireland and Spain during the year, in line with ambition to roll out the brand and serve customers locally
- The smaller markets start making an impact on total net sales
- Soft launch in the USA through Amazon, first step in a new continent
- Impressive performance in the UK with continued strong growth despite post-Brexit difficulties

Regional net sales development (MSEK)



# AVERAGE ORDER VALUE

- Average order value increased by 4.4% to SEK 740 compared to Q4 2019/20
- Normal seasonal impact during summer months, i.e AOV higher in Q1-Q3 when customers tend to buy more expensive products



# FINANCIAL PERFORMANCE

# FINANCIAL TARGETS & DIVIDEND POLICY

**SEK +2bn**

Net sales of at least SEK 2bn during the financial year 2023/2024

**132%**

Net sales growth  
FY 2020/21

**At least 25%**

Maintaining an annual EBIT margin of at least 25 percent

**27.3%**

Achieved adjusted EBIT-margin  
FY 2020/21

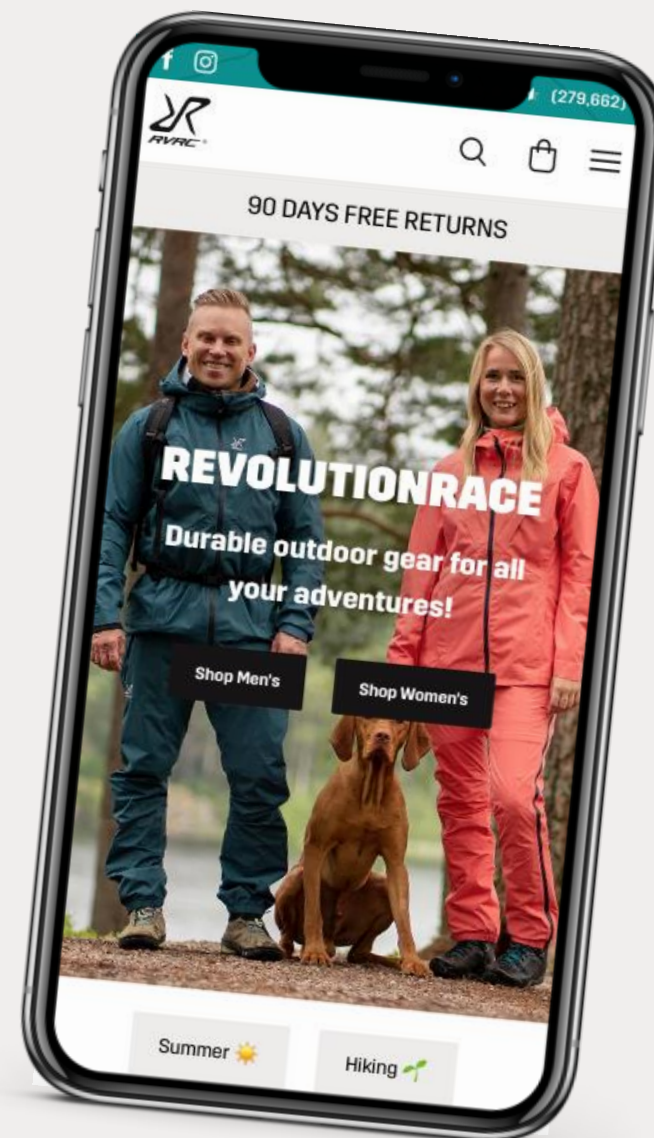
**40-60%**

RevolutionRace intends to distribute excess capital to shareholders, while considering long term financial robustness, growth opportunities and strategic initiatives. Subject to these considerations, RevolutionRace intends to distribute 40-60 percent of the annual net profit

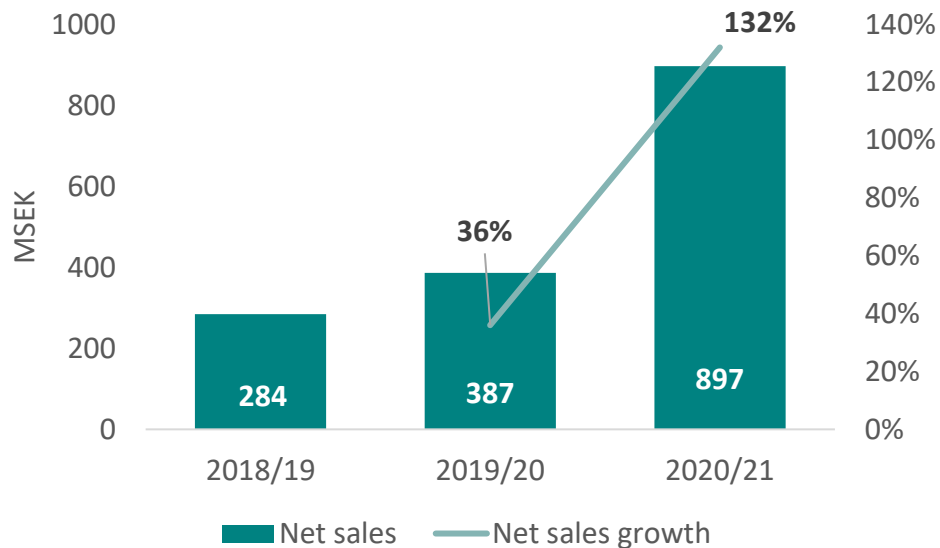
Proposed dividend

**42.1%**

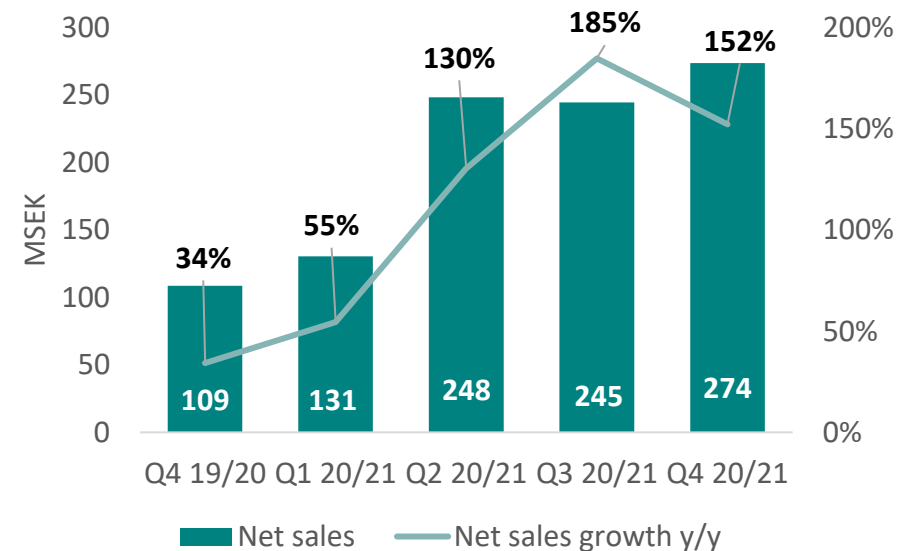
0.64 SEK per share



# NET SALES DEVELOPMENT

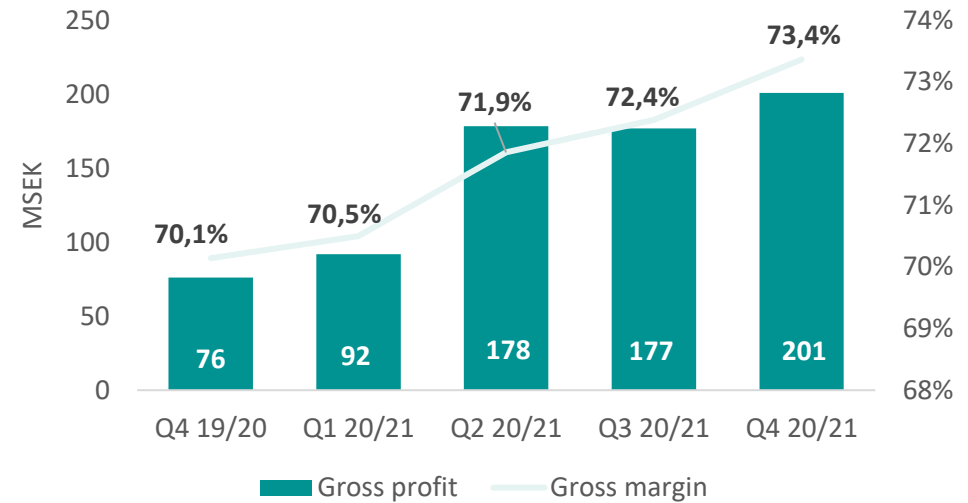
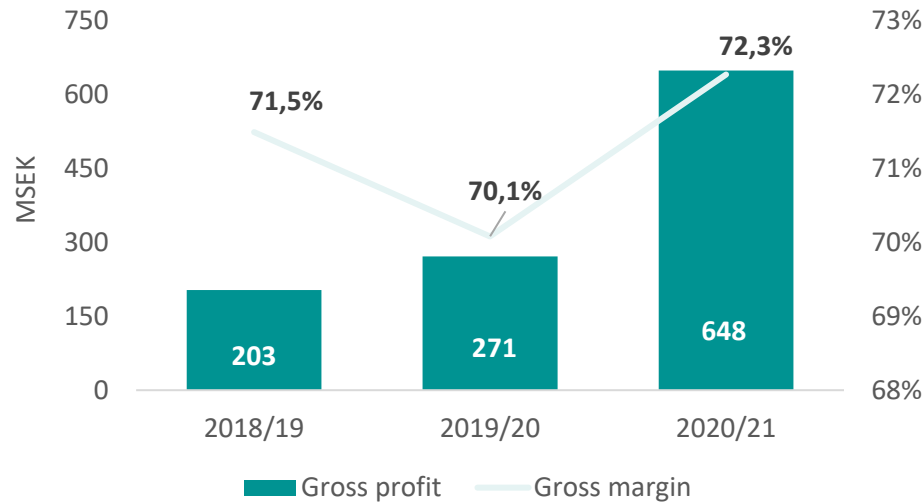


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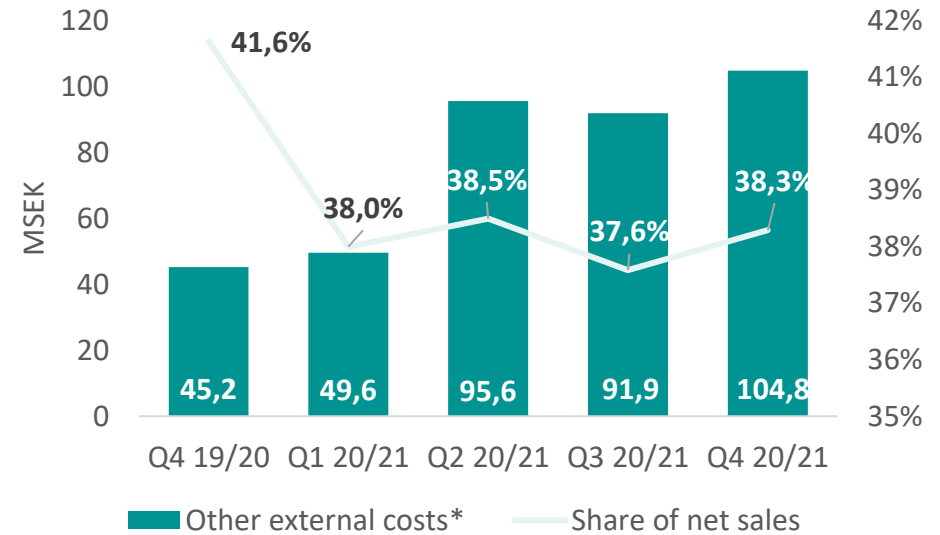
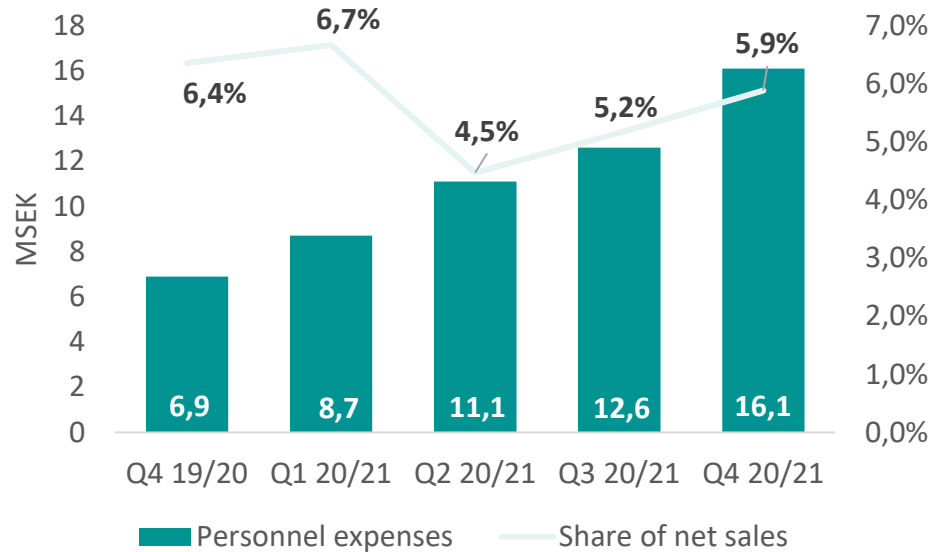
- High growth in net sales following strong demand for multifunctional garments
- Successful optimization of marketing activities and broadening of product offering
- Net sales negatively impacted by lower than desired inventory levels

# GROSS PROFIT AND MARGIN



- Gross profit in Q4 increased by 164% compared to the same period last year
- Gross margin positively impacted by as a higher share of net sales in markets with higher prices combined with a favourable currency mix.
- Increased freight costs due to higher prices and alternative shipments from Asia impacts gross margin negatively

# COST DEVELOPMENT

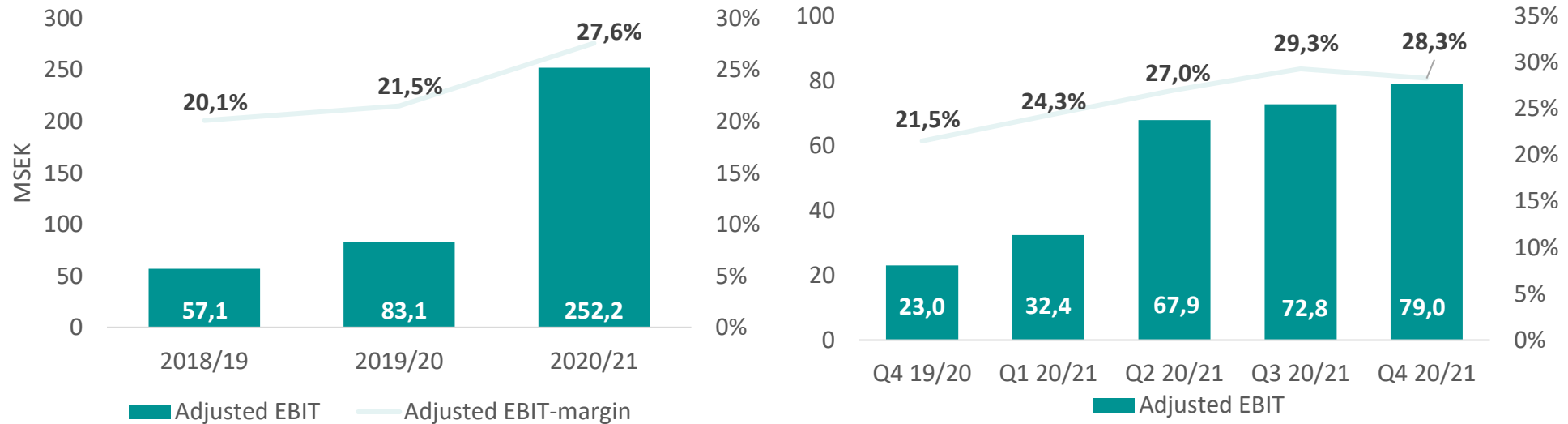


- 91 FTE at year-end, an increase by 63% compared to last year
- Continued increase of personnel during Q4 to catch up on demand and deliver on growth strategy - organization now in balance
- Other external costs on stable levels despite expansion of new logistics hub in Germany

\* Other external costs adjusted for EO expenses of 9.5 MSEK in Q3 and 12.3 MSEK in Q4, related to the IPO in June 2021



# ADJUSTED EBIT

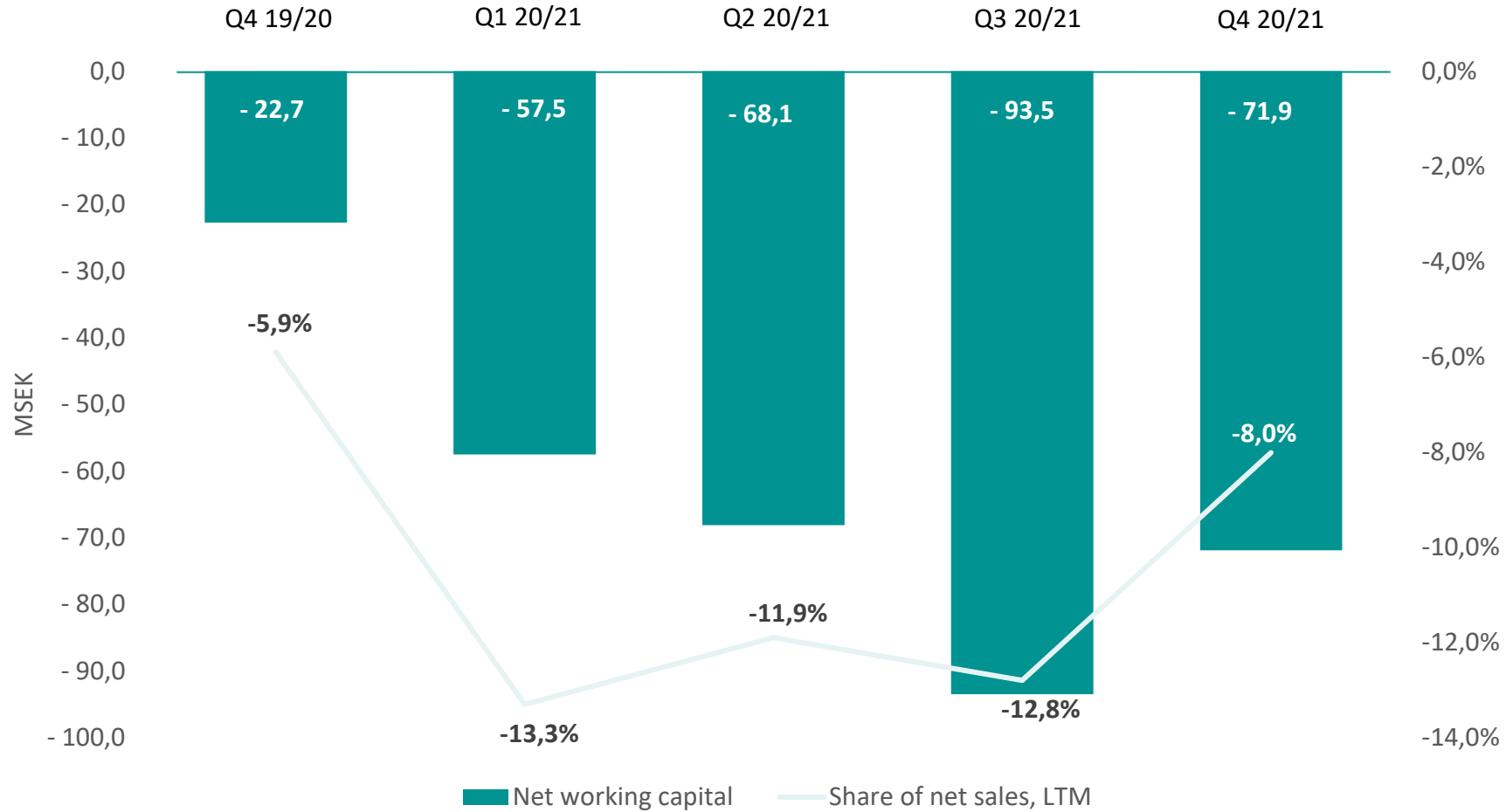


- Solid development of adjusted EBIT and EBIT-margin following strong demand in all markets
- Adjusted EBIT-margin increasing to 28.3% (21.5) in Q4 and to 27.6% (21.5) in FY 20/21
- Adjustment relates to IPO-related costs of 12.3 MSEK in Q4 and 21.8 MSEK in FY 20/21

# BALANCE SHEET

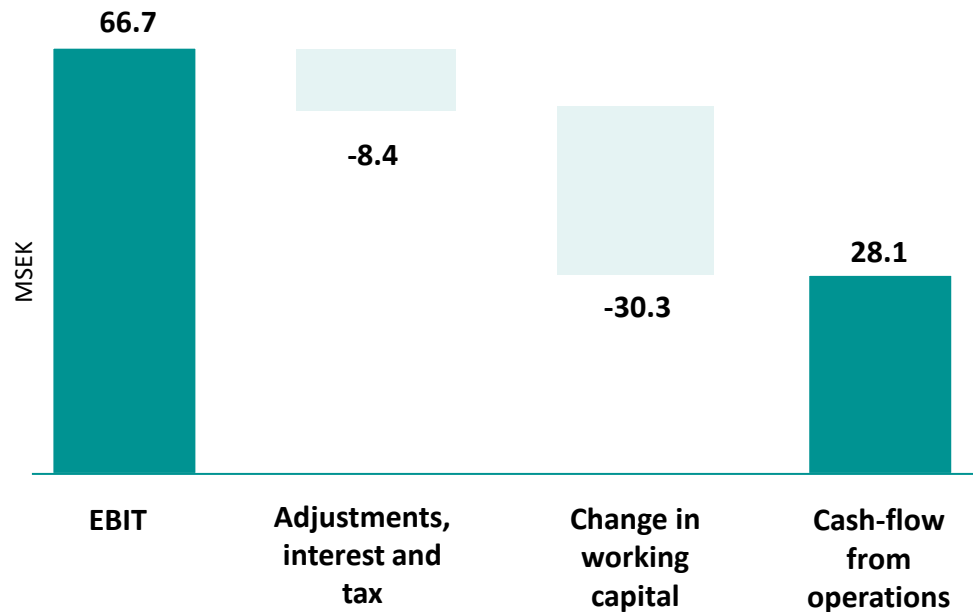
(MSEK)	30 June 2021	30 June 2020	30 June 2019
Intangible assets	796.8	795.7	788.9
Tangible assets	8.5	9.4	11.0
Current assets	462.7	151.3	115.7
<b>Total assets</b>	<b>1,268.1</b>	<b>956.4</b>	<b>915.7</b>
Equity	759.5	627.1	698.3
Long-term liabilities	268.8	270.8	164.4
Current liabilities	239.8	58.5	53.0
<b>Total equity and liabilities</b>	<b>1,268.1</b>	<b>956.4</b>	<b>915.7</b>

# NET WORKING CAPITAL DEVELOPMENT

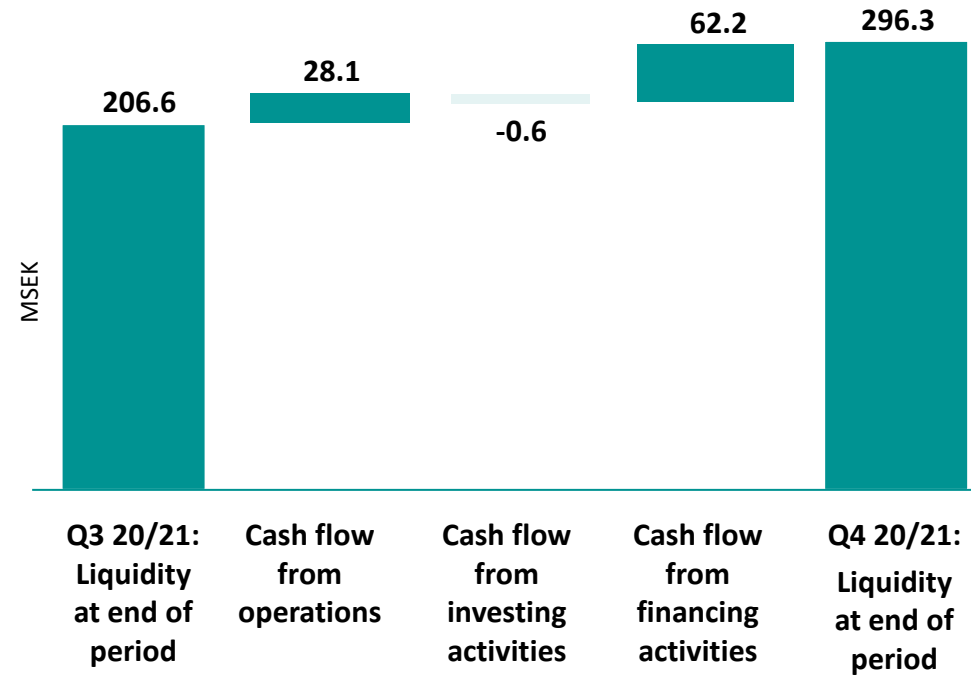


# Q4: CASH FLOW & FINANCIAL POSITION

Healthy cash-flow generation despite increased inventory levels in Q4



Increase in cash in Q4 mainly from strong operating cash flow as well as from exercise and issue of warrants





# DISTRIBUTION TO SHARE HOLDERS

- The Board of Directors propose a dividend of SEK 0.64 per share to the AGM on November 10th 2021
- Corresponding to a total dividend of 72.3 MSEK and 42.1% of the net profit of the year



# OPERATIONAL UPDATE

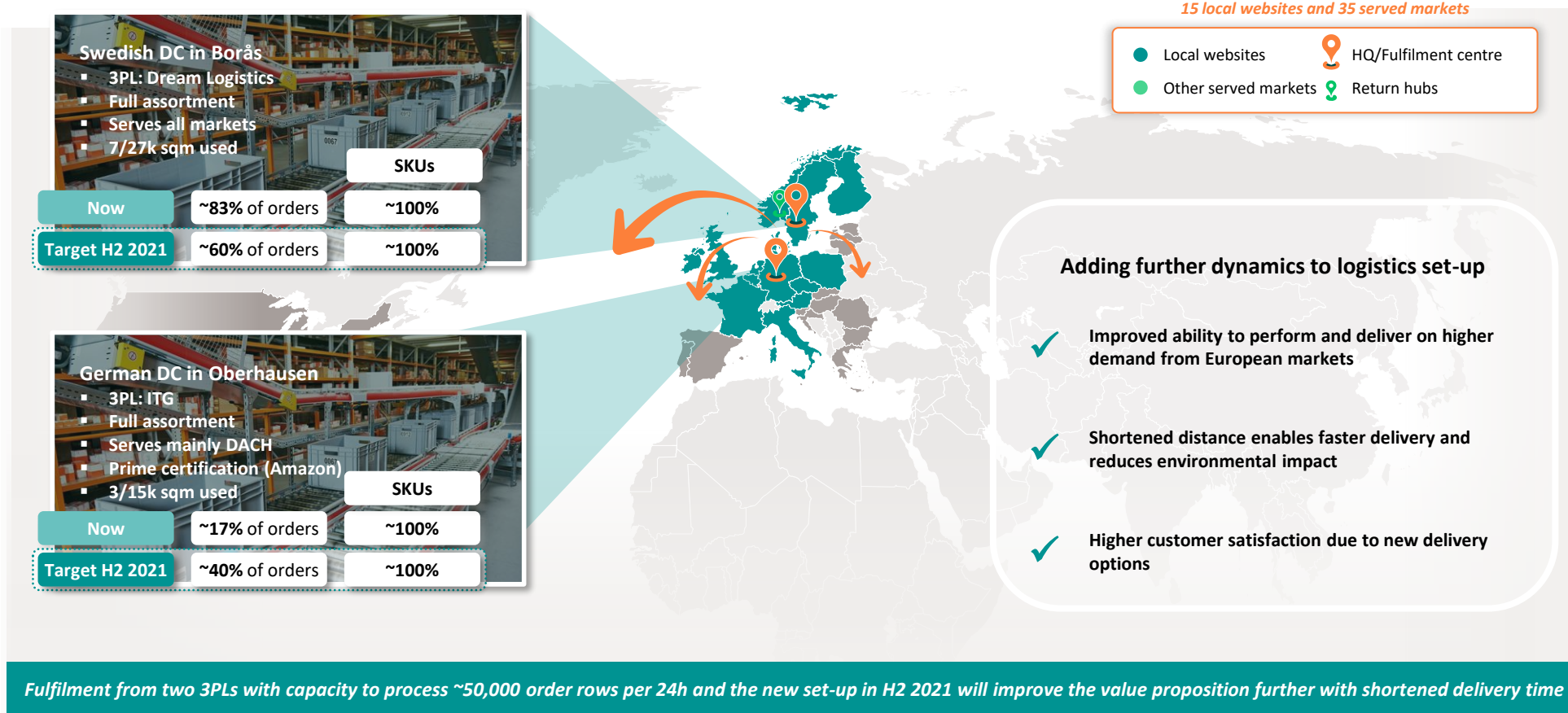
# GOING FORWARD

- Continued focus on ramping up logistics centre in continental Europe in the coming quarters
- We are continuing to restore inventory levels, leading to increased working capital
- Launch in the US progressing according to plan, we will continue to calibrate our offering in the coming quarters
- Summer months somewhat slower in unusually warm markets (as normal), but with strong growth compared to last year
- Plans to continuously roll out in new markets remain unchanged
- Expected continued strong growth going forward, all regions developing strongly



# DYNAMIC LOGISTICS STRUCTURE FOR FUTURE GROWTH

- HQ and fulfilment strategically located in Borås





# IN SUMMARY



# IN SUMMARY

- Exceptional year and quarter with 152% growth in net sales in Q4 and 132% in the FY 2020/21 – combined with improved EBIT-margins
- Pandemic situation has led to logistical and supply challenges and lower inventory levels than normally, off set by successful optimisation of marketing campaigns
- Strengthening logistics capacity by investing in inventory capacity in Germany - two logistic hubs (Sweden and Germany) will allow for shorter lead-times and improved customer service
- Continued roll-out in new markets during the year with localized web shops in Ireland, Belgium and Spain as well as a soft launch in the USA – in line with our strategy
- RevolutionRace is well positioned for continued strong growth in all geographical regions!



# Q&A



**NATURE IS OUR  
PLAYGROUND!**