



REVOLUTIONRACE

"We grew net sales by 48% in the full-year, reaching SEK 1,331 m and delivered SEK 367 m in EBIT, an improvement of 59% y-o-y."
– Pernilla Nyrensten, CEO and co-founder



IMPORTANT INFORMATION

This presentation may contain forward-looking statements. All statements other than statements of historical fact included in the presentation are forward-looking statements. Forward-looking statements give the company's current expectations and projections relating to its financial condition, results of operations, plans, objectives, future performance and business and are based on numerous assumptions regarding the company's present and future business strategies and the environment in which it will operate in the future. These statements may include, without limitation, any statements preceded by, followed by or including words such as "target," "believe," "expect," "aim," "intend," "may," "anticipate," "estimate," "plan," "project," "will," "can have," "likely," "should," "would," "could" and other words and terms of similar meaning or the negative thereof. Such forward-looking statements inherently involve known and unknown risks, uncertainties and other important factors beyond the company's control that could cause the company's actual results, performance or achievements to be materially different from the expected results, performance or achievements expressed or implied by such forward-looking statements.

Presenters:



PAUL FISCHBEIN
Acting CEO



JESPER ALM
CFO

THIS IS REVOLUTIONRACE

REVOLUTIONRACE IS A DIGITAL NATIVE GLOBAL D2C ACTIVE OUTDOOR LIFESTYLE BRAND

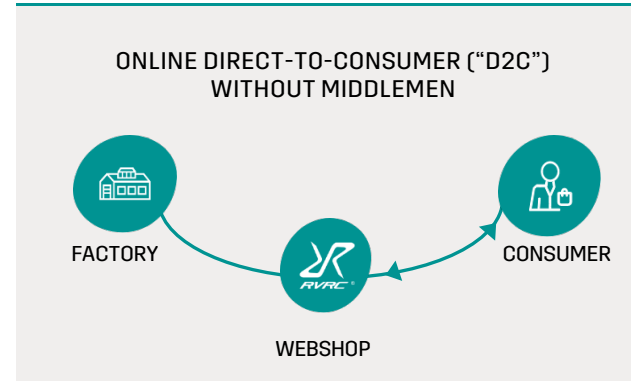
High quality products with unmatched value...



...with great understanding of how to communicate with customers on digital social platforms...



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



...with highly engaged and loyal customers...

+395,000
PRODUCT REVIEWS

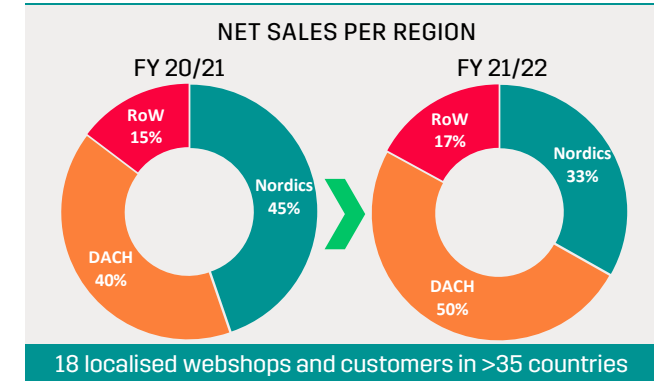
4.6 ★★★★★

amazon: 4.5 ★ Trustpilot: 4.4 ★ Facebook: 4.1 ★

"Bästa kängor jag köpt, bra passform, snygg!" ★★★★★

"Perfekt hoodie, lækker kvalitet, perfekt i størrelsen og fede detaljer" ★★★★★

...sold globally...



...resulting in impressive financial performance

	FY 21/22	FY 20/21	Q4 21/22	Q4 20/21
Net sales (MSEK)	1,331	897	318	274
Net sales growth	48%	150%	16%	152%
Gross profit (MSEK)	963	648	230	201
EBIT (MSEK)	367	230	73	67
EBIT margin	26.3%	25.2%	21.3%	23.9%
Adj. EBIT (MSEK)	367	252	73	75
Adj. EBIT margin	26.3%	27.6%	21.3%	28.3%
# of orders	1,659,021	1,176,227	410,810	369,633
AOV (SEK)	803	763	774	740
AOV growth	5%	13%	5%	4%

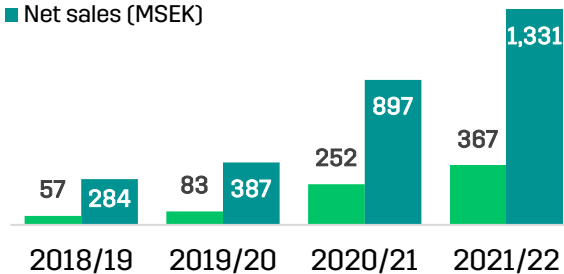
SET OUT TO REVOLUTIONISE THE OUTDOOR INDUSTRY WITH GREAT FIT, AWESOME PRODUCTS AND UNMATCHED VALUE

During FY2021/22, we have delivered on all strategic goals as set out ahead of the IPO



1. Growth in net sales

■ Adjusted EBIT (MSEK)
■ Net sales (MSEK)



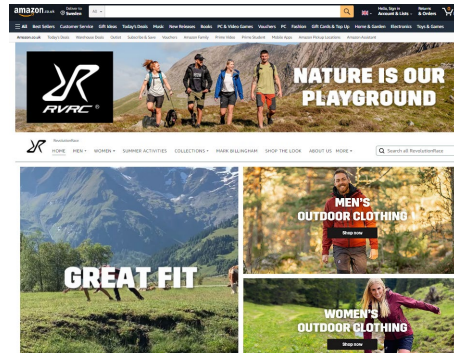
- Net sales increased by 48% to SEK 1,331m
- Adj. EBIT increased by 45% to SEK 367m

4. Expansion through new product categories



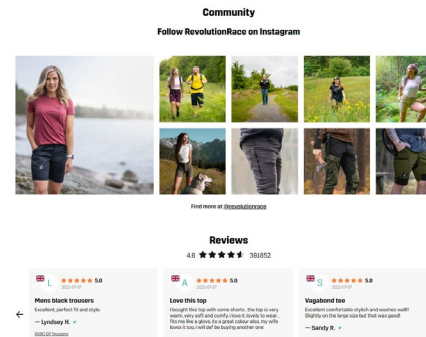
- Shoes (Q2) – first batch sold out within 2 days!
- Bags (Q3) – several colors sold out!

2. Growth in marketplaces amazon



- Launch in US and SWE & relaunch in UK
- Profitable customer acquisition through own brand store with full brand control
- ~5% of total net sales
- Top 5 in all relevant product categories

5. Increased loyalty and returning customers



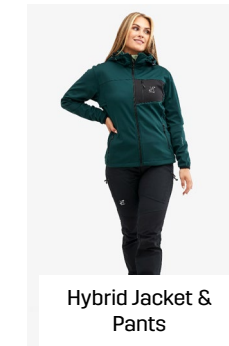
- 735k SoMe followers pre IPO → 990k
- 245k product reviews pre IPO → 395k

3. Continued international expansion

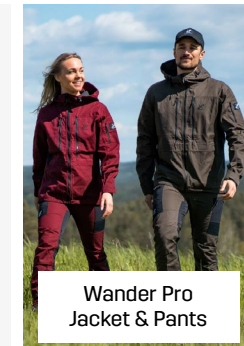


- **US (Q1)** – Launched via Amazon
- **Switzerland (Q2)** – our most successful launch in RVRC's history! Net sales of SEK 21.0 m during Jan-Jun 2022 with high profitability
- **Estonia (Q3)** – smaller market with great potential!

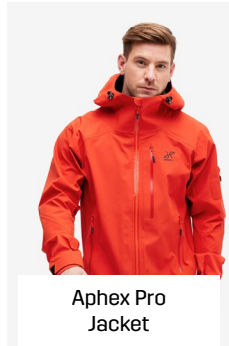
6. Developing the pricing strategy



Hybrid Jacket & Pants



Wander Pro Jacket & Pants



Apex Pro Jacket

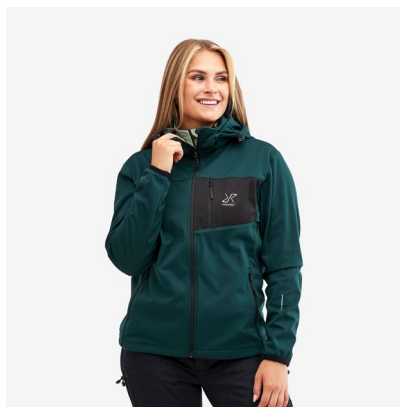
Base

Pro

Statement

By offering unmatched value within each price category, we reach a wider market

Pricing strategy



Base

- Entry products for new customers
- Lower price but still high value
- Encourages the customer to top up their basket size, generating a higher AOV



Pro

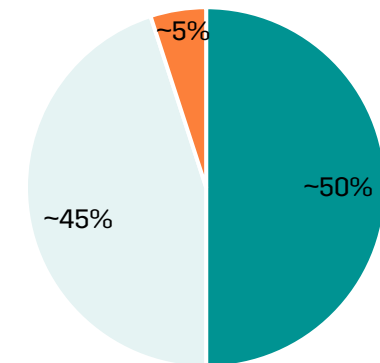
- Offering high quality at great prices drives high customer demand
- High volumes enables favorable sourcing opportunities



Statement

- Core activity products
- Advanced Technical Specification incl. Hypershell® Pro and RECCO®
- Supports our vision of becoming the most recommended outdoor brand
- Higher price point and profitability

Price category split



■ Base ■ Pro ■ Statement

- Our pricing strategy is quite simple – we offer something for everyone, both within *outleisure* as well as for *core activities*
- Presence in several customer segments improves stability and growth potential
- Our target is to increase Pro and Statement share of total sales over time

Unique digital know-how, customer communication and positioning are key success factors to build a strong brand for the long Race

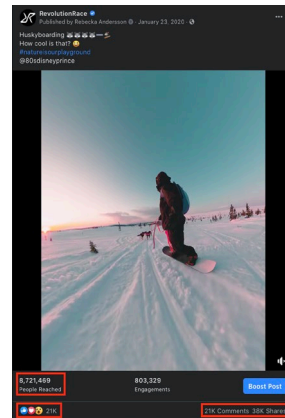


Great products with unmatched value

BRAND AND PRODUCT	Competitor	
		
		
	NORDWAND PRO PANTS	
	PRICE (EUR) #1	105 ~185
	+% RVRC #1	~71%
	COLOUR RANGE #1	 
# WEBSITE REVIEWS	>19,000	<100
PFC-FREE?	✓	✗
VENTILATION	✓	✗

Unique digital positioning gained through our in-house marketing expertise and social media brand building

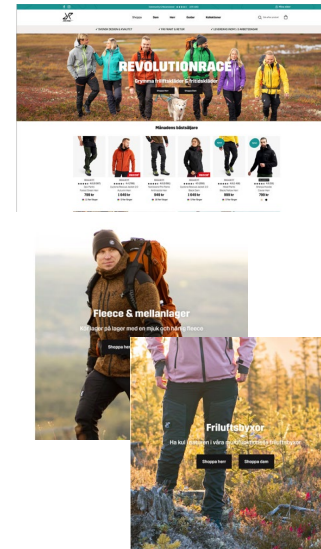
Engaging community content



8.4m organic reach!
40k likes/comments!

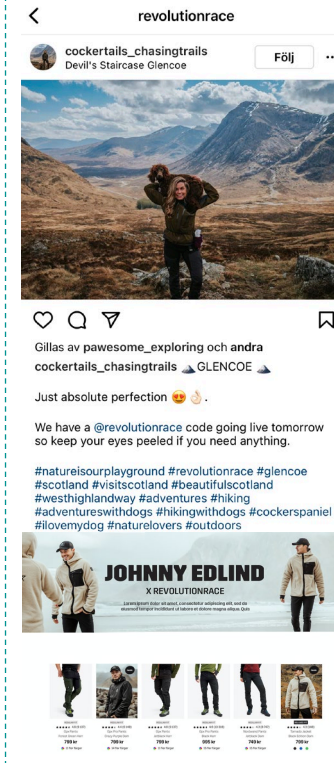
Consistently reaching millions with several thousand comments and likes and available through all social media channels

In-house generated content

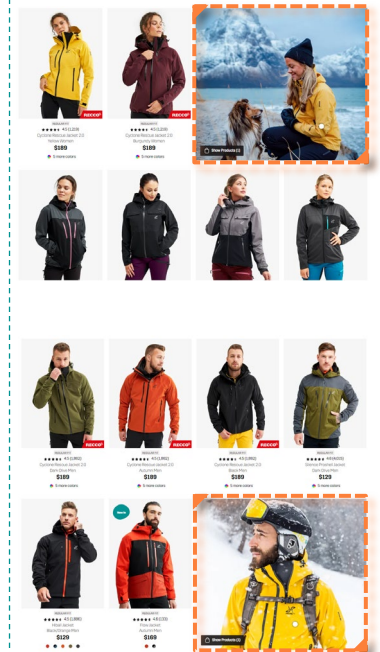


Traffic analysis show in-house generated content is preferred by our customers

Influencer partnerships



Community generated content



BUILDING A STRONG BRAND IS IN OUR DNA!

OPERATIONAL INSIGHTS

KEY HIGHLIGHTS

FY 2021/22

- RevolutionRace increases its net sales by 48%, reaching SEK 1,331m (897) during our first year as a listed company.
- The DACH region continues to deliver very well, growing by 81%, driven by an 77% sales increase in Germany
- ROW growth of 76%
- Gross margin remains at high level of 72.3% driven by strong sales in ROW and DACH
- AOV is 5% higher due to favorable market mix and amounts to SEK 803 (763)
- Strong adj. EBIT margin of 26.3%
- Three new markets successfully launched this fiscal year including Switzerland, Estonia and the US
- Successful launches of two new product categories; shoes and bags as well as new additions to existing categories
- Managing to keep up high growth and profit despite war and supply disturbances

48%

Net sales growth



803 SEK

Average net order value (AOV)



72.3%

Gross margin



26.3%

Adj. EBIT-margin



KEY HIGHLIGHTS

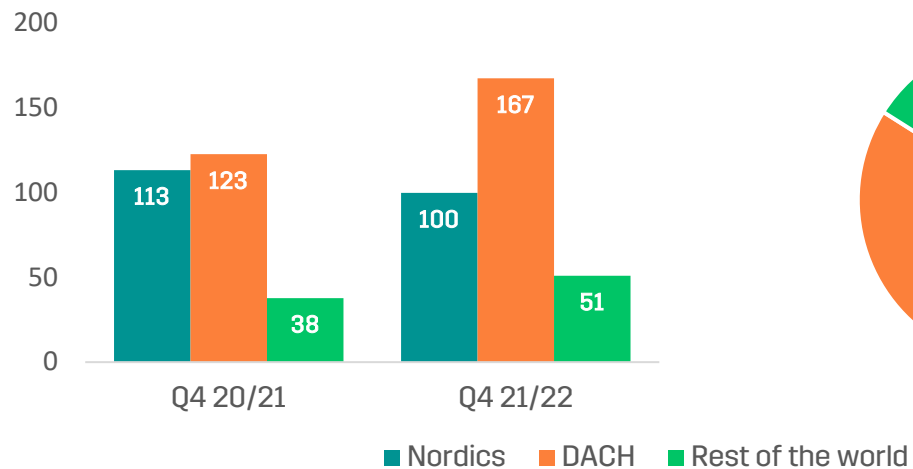
Q4

- RevolutionRace continues its profitable growth journey during the last quarter of the year
- Like our peers, we are experiencing a changed customer behavior – RVRC continues adapting to changes in the market environment
- We continue to deliver a strong development as a result of our good cost control, digital excellence and positioning
- We see a continued strong demand for our multifunctional products, both in established and new markets
- Good demand combined with solid inventory levels have resulted in continued growth
- Switzerland (launched in Q2) is continuing to deliver high growth and good EBIT development – most successful launch in RVRC's history!

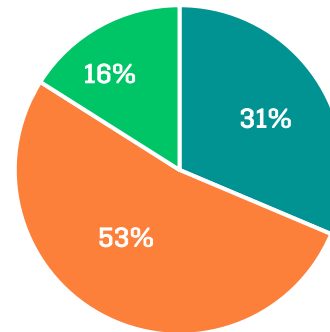


MARKET DEVELOPMENT

REGIONAL NET SALES DEVELOPMENT (SEKm)



REGIONAL SHARE (%) OF TOTAL NET SALES

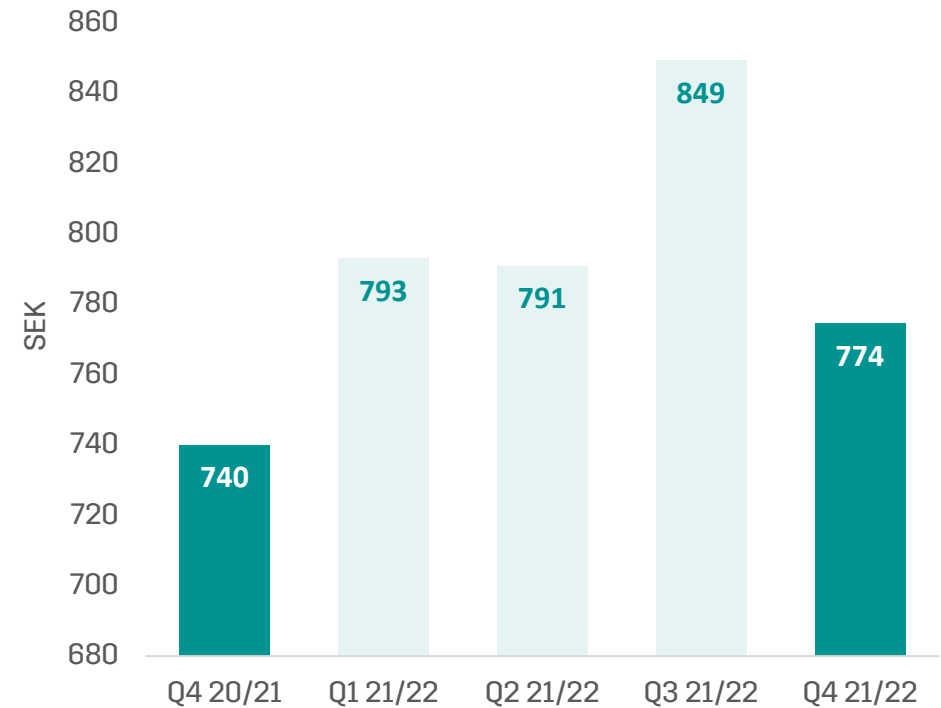


- DACH growing by strong **37%**, with Germany, our largest market, remaining the engine with growth of 25% in Q4.
- Strong growth in ROW, **+35%** in Q4
- Decision to focus marketing efforts outside Nordics
- New markets are developing around plan
- The smaller markets continuing to make an impact on total net sales



AVERAGE ORDER VALUE

- Average order value increased by 5% to SEK 774 compared to Q4 20/21
- The increase is primarily explained by a favorable market mix



FINANCIAL PERFORMANCE

FINANCIAL TARGETS & DIVIDEND POLICY

SEK +2bn

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

SEK 1.3bn

Achieved Net sales

At least 25% (SEK +500m)

Maintaining an annual EBIT margin of at least 25 percent

26% (SEK 367m)

Achieved adjusted EBIT-margin (R12M)

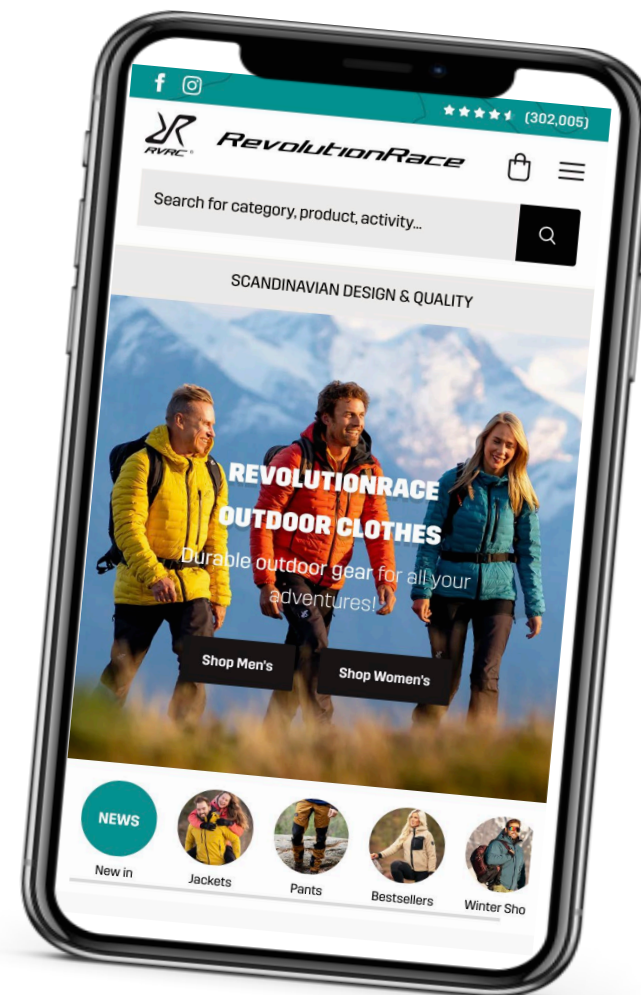
40-60%

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

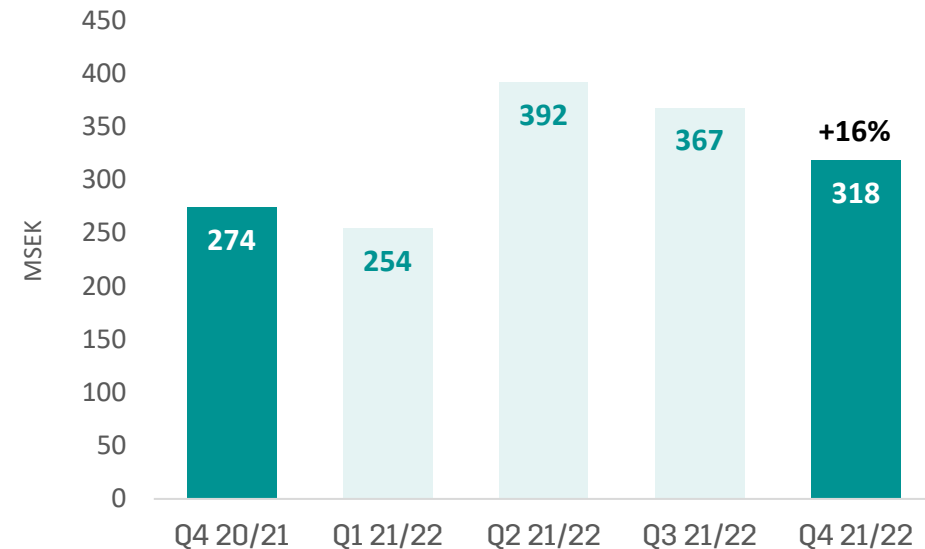
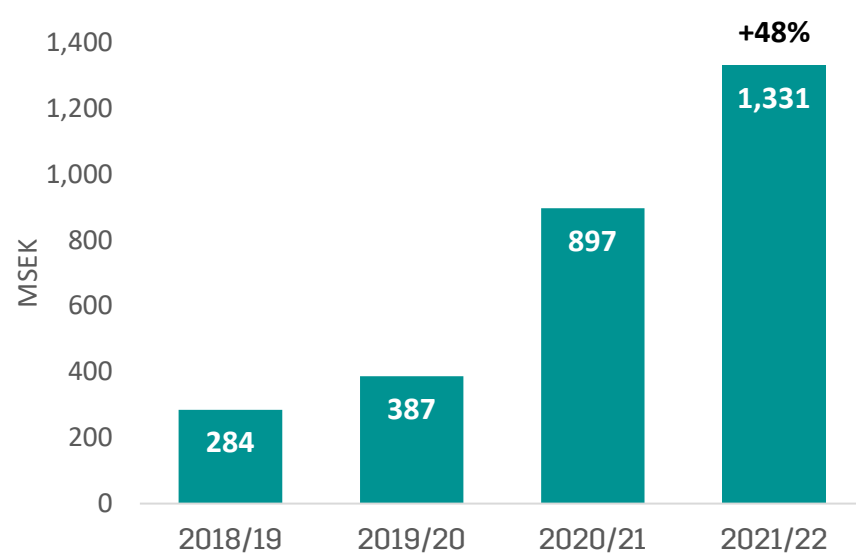
30.2%

Proposed dividend payout

0.77 SEK per share

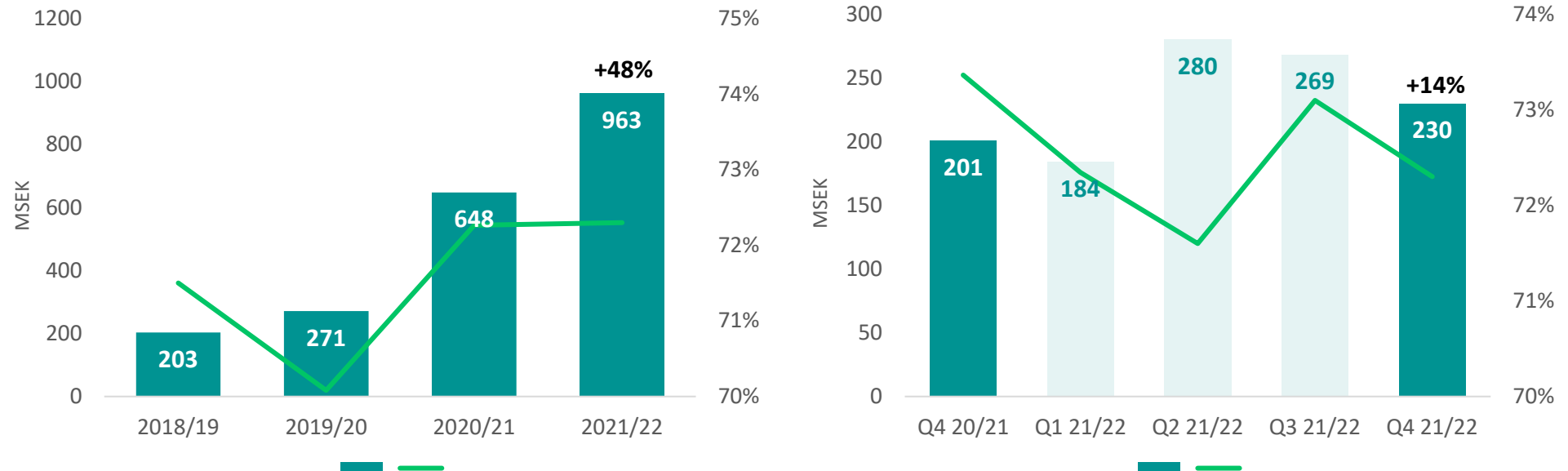


NET SALES DEVELOPMENT



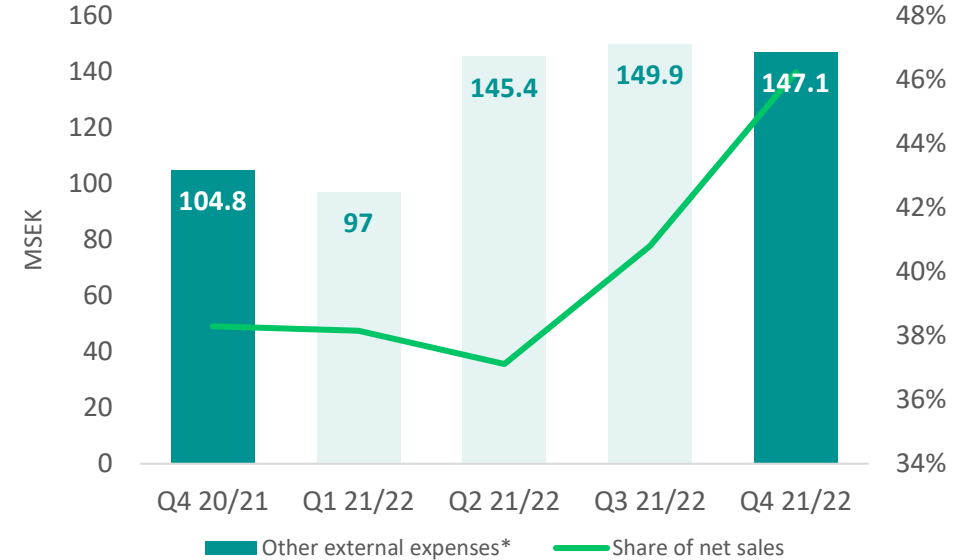
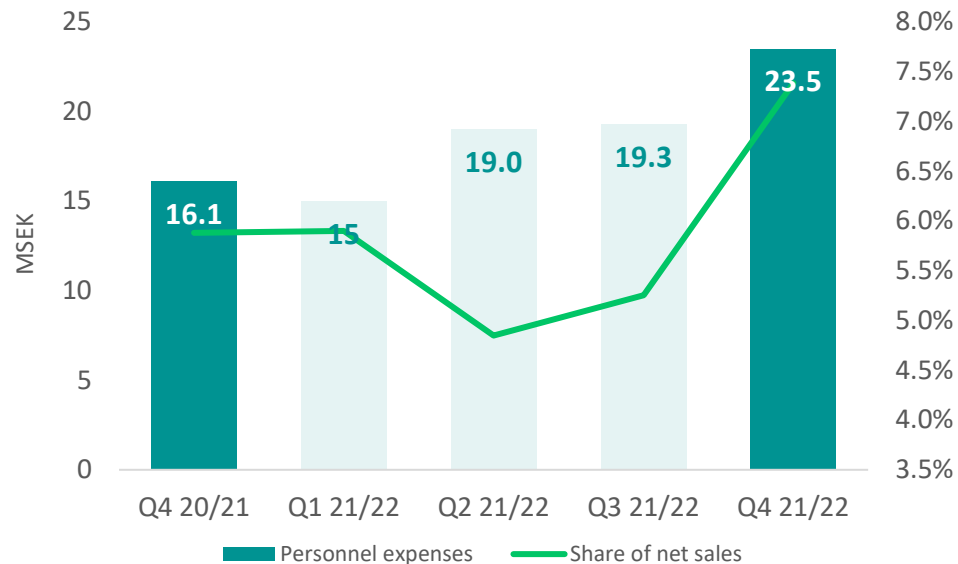
- High growth in net sales following strong demand for multifunctional products **+48%** (local currency 48%) for the full-year and 16% (local currency 14%) for the fourth quarter
- Successful optimization of marketing activities and broadening of product offering
- Strong digital brand positioning within active outdoor lifestyle, offering functional products for everyday use and to core activities
- Excellent know-how of the digital landscape and how to position our brand, products, and how to localize content on site as well as the use of organic, paid and influencer marketing across all digital platforms
- Global supply and logistics situation continues to be challenging for new products when it comes to lead time. Healthy inventory situation of running assortment

GROSS PROFIT AND MARGIN



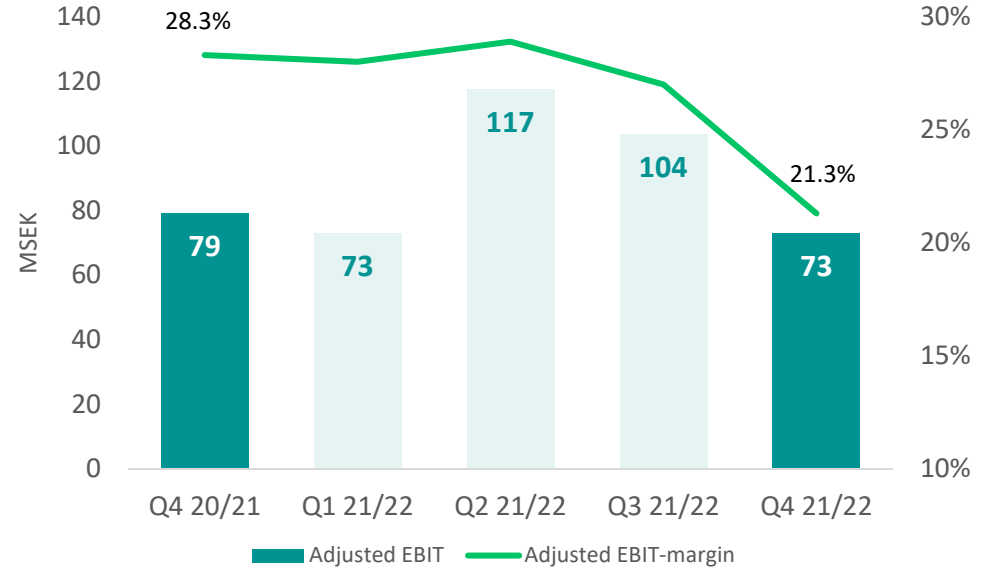
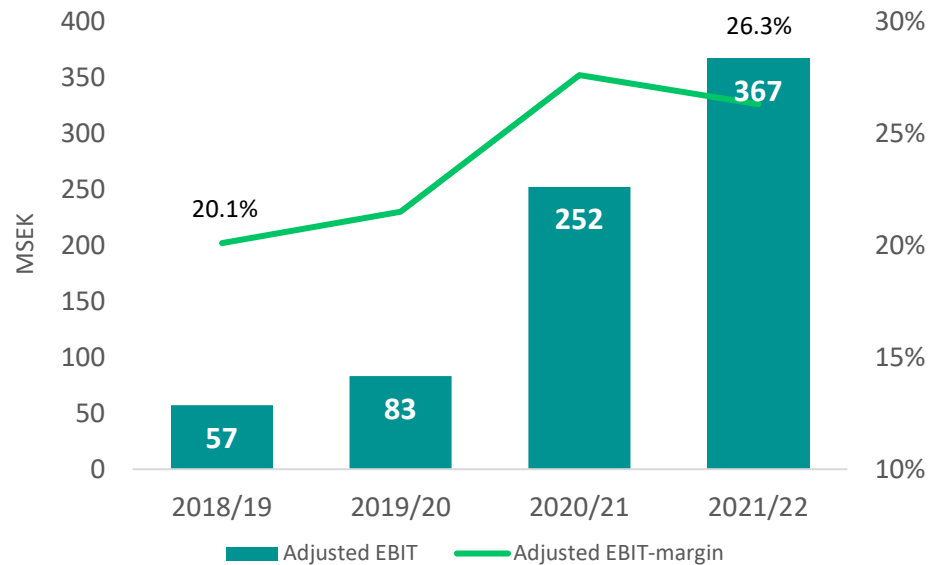
- Gross profit in FY21/22 increased by 48% to SEK 963m, and in Q4 by 14% compared to the same period last year to SEK 230m (201)
- Gross margin decreased by 1.1pp to 72.3 (73.4), impacted positively by a favorable market mix and negatively by a larger share of sales with price reductions

OPERATIONAL EXPENSES



- Average number of employees in the fourth quarter was 122, an increase by 39 employees compared to last year
- Good cost controls and operational skills
- Other external expenses as share of net sales are higher than last year as a consequence of higher marketing expenses

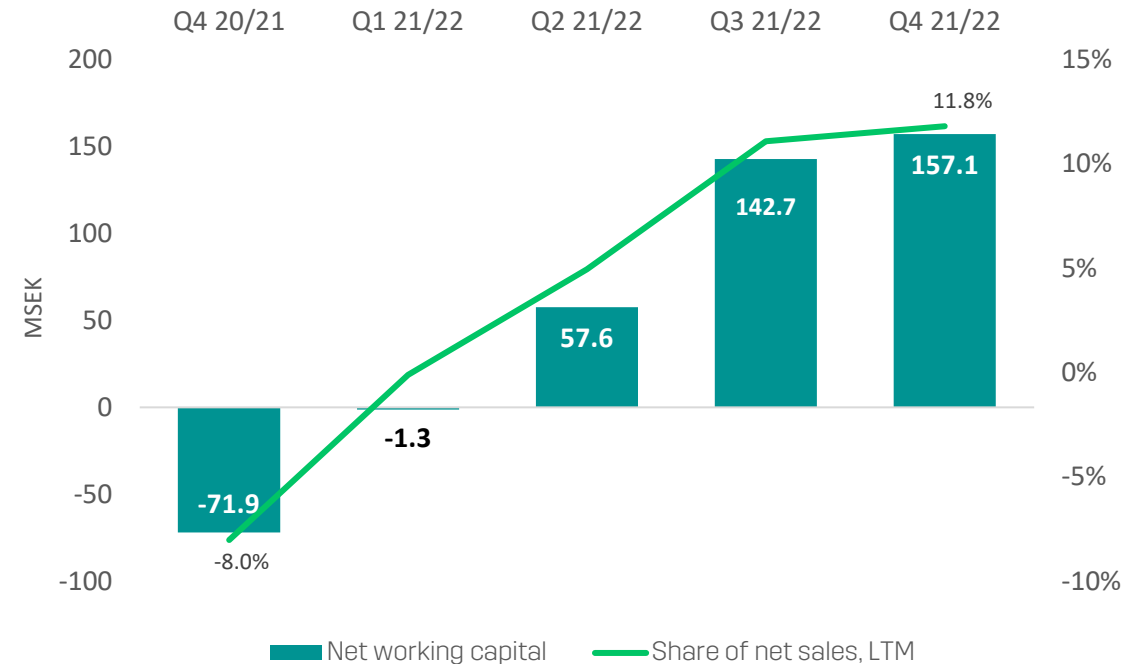
ADJUSTED EBIT



- Items affecting comparability amounted to SEK 0m in Q4 21/22, SEK 12.3m in Q4 20/21, and SEK 21.8m for the full year 20/21.
- Solid adjusted EBIT-margin following strong demand and good cost control
- Adjusted EBIT-margin amounted to 21.3% in Q4 21/22 and 26.3% for the full-year.

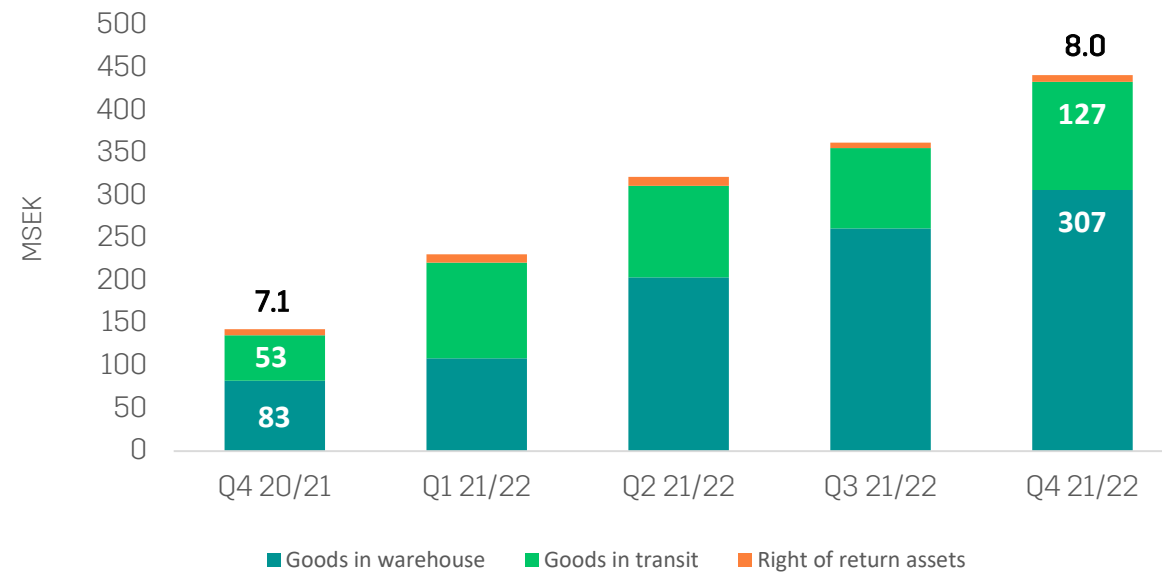
BALANCE SHEET AND NET WORKING CAPITAL

MSEK	30 June 2022	30 June 2021
Intangible assets	797.3	796.8
Tangible assets	8.8	7.0
Deferred tax	1.4	1.5
Current assets	586.8	462.7
Total assets	1,394.4	1,268.1
Equity	974.5	759.5
Long-term liabilities	62.8	268.8
Current liabilities	357.1	239.8
Total equity and liabilities	1,394.4	1,268.1



- Changes to NWC are primarily driven by the planned inventory build up

INVENTORY DEVELOPMENT



- The planned inventory build up aimed at
 - replenishing sold products,
 - achieve healthy inventory levels, and
 - cater to two warehouse and logistics centers, as well as smaller hubs

Q4: CASH FLOW & FINANCIAL POSITION



- Net cash has decreased due to a conversion from a term loan to an overdraft facility to increase flexibility in the group's financial position.
- A bank overdraft of ~SEK 600 (0) million is available.

Distribution to shareholders

- The Board of Directors propose a dividend of SEK 0.77 per share to the AGM on November 10 2022
- Corresponding to a total dividend of SEK 86.9m and 30.2% of net profit for the full year



IN SUMMARY

IN SUMMARY

- The growth story continues, and we continue to gain market share
- RevolutionRace increases its net sales by 48%, reaching SEK 1,331m (897) during our first year as a listed company
- The DACH region continues to deliver very well, growing by 81%, driven by an 77% sales increase in Germany
- We have a clear focus on customer satisfaction resulting in high engagement among our customers
- During the year we have further developed our product offering and price segments attracting a broad customer base
- Strong brand and financial position



GOING FORWARD

- We are humble toward the macroeconomic challenges that now prevail in the world
- We have previously proven that we are good at finding profitable ways forward and the organization is well used to managing change
- RevolutionRace is very well positioned for future profitable growth
- RevolutionRace offers high quality products at a competitive price which is a price segment that we believe has historically outperformed the market
- We have our sights set on continuing to grow profitably over every quarter and year and we therefore look to the future with great confidence



Q&A



**NATURE IS OUR
PLAYGROUND!**