

Q2 2019 Conference Call

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Lund, 19 July 2019



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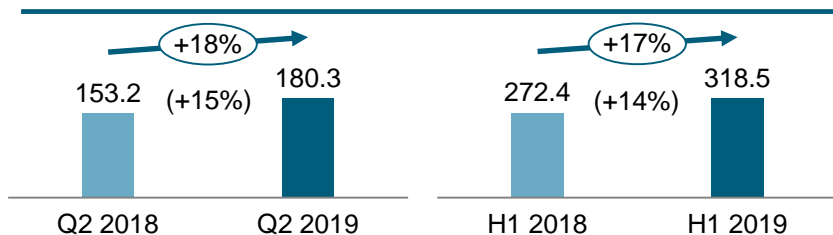
Agenda

1	Executive overview
2	Financial review
3	Outlook
4	Q&A

Strong growth continues in Q2

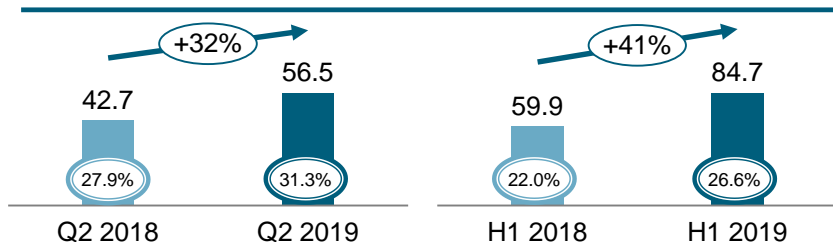
Net sales

MSEK, sales growth in % (constant currency growth)



EBITDA¹

MSEK, EBITDA margin as % of Group net sales



¹ Positive impact on EBITDA by MSEK 3.7 in Q2 and 7.3 in H1 2019 due to IFRS 16 (leasing)

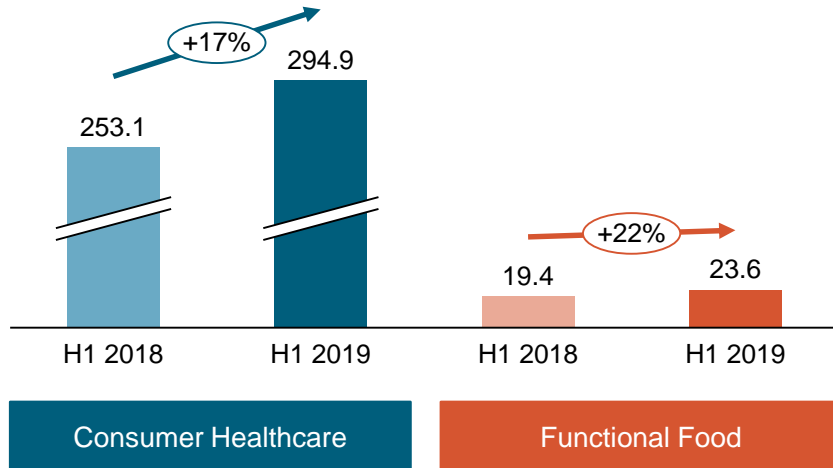
Key developments in the quarter

- Second-quarter net sales rose to MSEK 180, up 18%, or MSEK 27 compared to Q2 2018
- EBITDA increased by MSEK 14, up 32% compared to Q2 2018
- Successfully completed clinical trial on 326 healthy pregnant women showing intake of Probi FerroSorb[®] improves iron status
- New product concept launched in the Nordic market adapted for consumers of all ages
- Partial early repayment of a bank loan totalling MSEK 39 reflecting strength of Probi's cash flow

Consumer Healthcare growth in EMEA and US

Net sales by segments

MSEK, sales growth in %



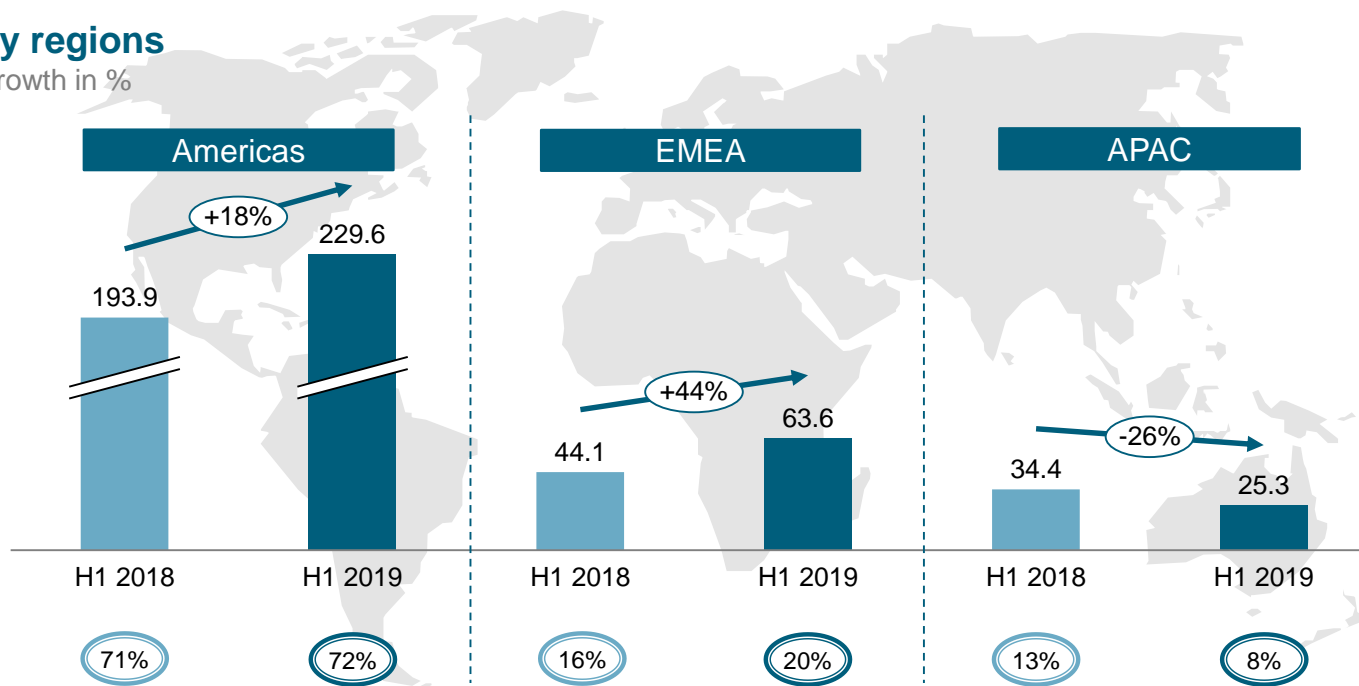
Key aspects

- The increase in Consumer Healthcare was attributable to strong performance in EMEA and the normalisation of a major customer's order pattern
- Functional Food positively affected by non-recurring income in connection with the discontinued collaboration agreement with global FMCG customer

Americas and EMEA growing, APAC affected by delayed customer launches

Net sales by regions

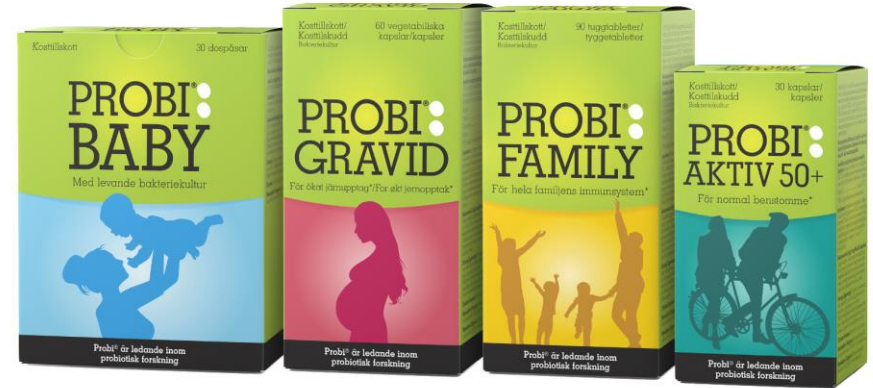
MSEK, sales growth in %



% of Group net sales

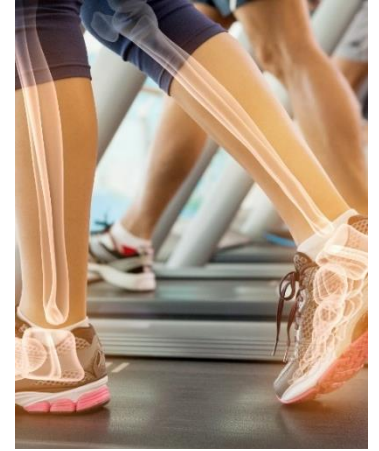
Q2 2019 – Highlights: New product launch in Sweden

- Probi leading Swedish player in probiotic supplements with market dominance in pharmacies and the health-store segment
- Probi Mage® 80 pack capsules largest single product in the entire dietary supplement category (source: Nielsen MAT w16 2019)
- New range of products launched in the Swedish market together with distribution partner for further roll-out in the Nordic market
- Range complements Probi Mage® and Probi Frisk® and suits the varying needs of consumers at every stage of life



Q2 2019 – Highlights

- Presentation of the Probi® Osteo concept at Vitafoods Europe in Geneva and Probiota Americas + IPA World Congress in Vancouver. Customer launches of Probi® Osteo in progress for all Probi's regions (Americas, EMEA and APAC).
- Clinical trial on 326 pregnant women demonstrates that intake of Probi FerroSorb® led to improved iron status, resulting in reduced iron deficiency but also lower incidence of anaemia during the final stages of pregnancy
- Annual partner conference held in Malmö, attended by 135 people from 28 countries and 50 companies.



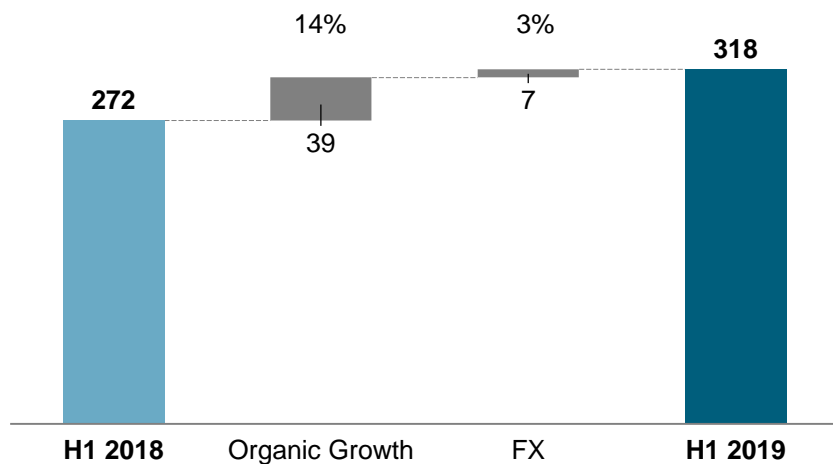
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Increased sales revenue and improved EBITDA margin

Probi sales bridge

MSEK, change in %



Condensed P&L

MSEK, change in %

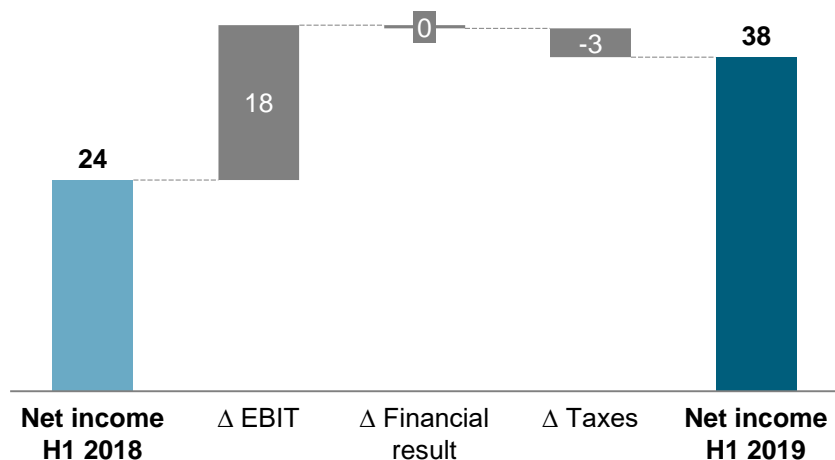
	H1 2019	H1 2018	Change
Net sales	318.5	272.4	▲ 17%
EBITDA ¹	84.7	59.9	▲ 41%
EBITDA margin	26.6%	22.0%	▲ 4.6pps
EBIT	50.4	32.6	▲ 55%
Net income	38.4	24.3	▲ 58%
EPS	3.37	2.13	▲ 58%

¹ Positive impact on EBITDA by MSEK 7.3 in H1 2019 due to IFRS 16 (leasing)

Improved net income in H1 driven by organic growth

Reconciliation of net income

MSEK



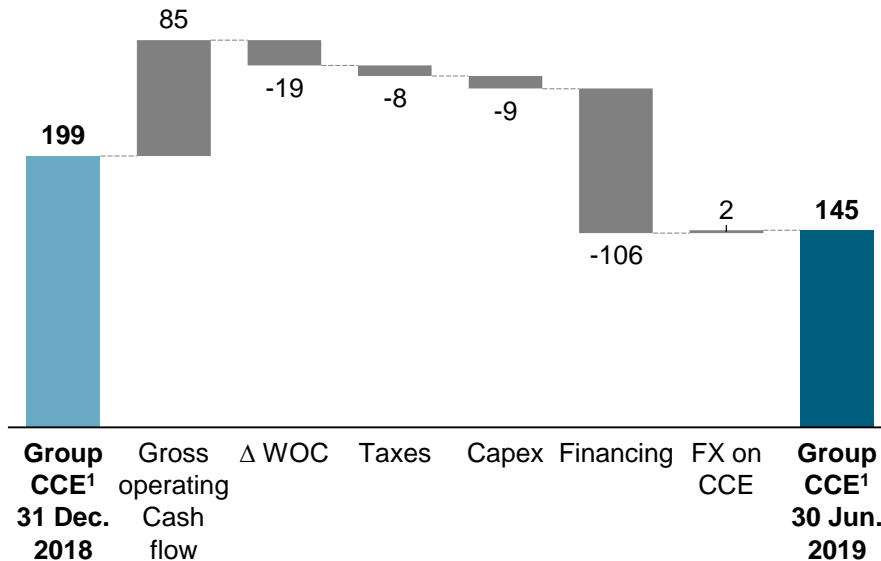
Key aspects

- EBIT increase driven by organic revenue growth
- Reduced interest expenses offset by favorable exchange result in the comparison period
- Increased taxes as a result of improved EBIT
- Net income increased by MSEK 14 compared to H1 previous year

Strong cash flow enables partial early redemption of bank borrowings

Reconciliation of group liquidity H1 2019

MSEK



Key aspects

- Gross operating cash flow of MSEK 85 reflects robust business model
- Strong sales in June causes temporary unfavourable working capital effect with increased Trade receivables
- Excess group liquidity used for partial early redemption of bank borrowings. Total redemption amounts to MSEK 99 for H1.
- Maintained flexible financing

Strong balance sheet and increased net cash position

Balance sheet Probi Group

MSEK, in % of total assets

Assets	30 Jun 2019	31 Dec 2018	Liabilities and equity	30 Jun 2019	31 Dec 2018
Intangibles (excl. GW)	491	494	Total equity	1,099	1,028
Goodwill	315	305			
PPE	97	29	Other non-current liabil.	57	7
Deferred tax assets	5	2	Non-current liabilities	57	7
Non-current assets	907	829	Borrowings	20	118
Inventories	69	69	Trade payables	33	31
Trade receivables	127	106	Other current liabilities	46	24
Other current assets	6	6	Current liabilities	98	174
Cash and cash equiv.	145	199	Total liabilities	155	181
Current assets	348	380			
Total assets	1,254	1,209	Liabilities and equity	1,254	1,209

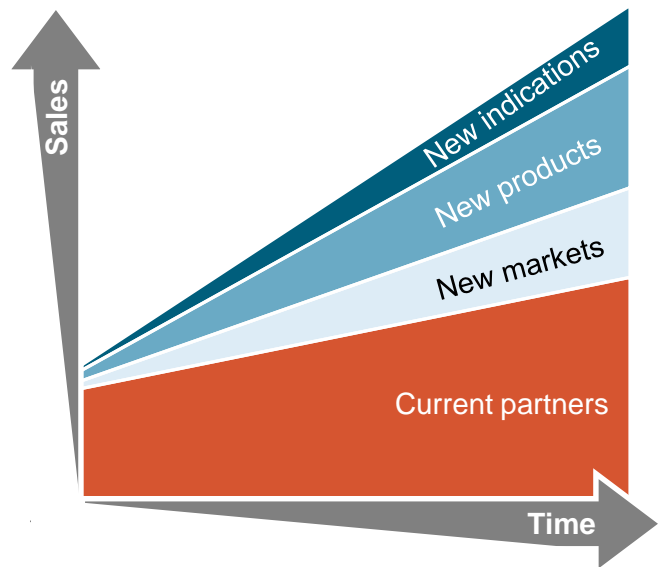
Key aspects

- Net cash flow MSEK -54 after an early redemption of bank borrowings of MSEK 99
- PPE increased by MSEK 68 due to implementation of IFRS16 (financial leasing) which also affects current and non-current liabilities
- Total equity of MSEK 1,099
- Equity ratio 88%

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Probi – well positioned for growth



- Probiotics remain one of the fastest growing supplements globally
- Growth opportunities in both existing portfolio as well as newly launched product concepts
- Increased investments in Research & Development for continued leadership in innovation and clinical excellence
- Program and investments to enhance production capacity for quality and efficiency improvements
- Evaluating strategic partnerships to accelerate growth opportunities

Q&A

Financial calendar

Interim report Q3, 2019
Year-end report, 2019

25 Oct 2019
11 Feb 2020