

Q3 2018 Conference Call

Probi delivers strong operating performance and
appoints new CEO

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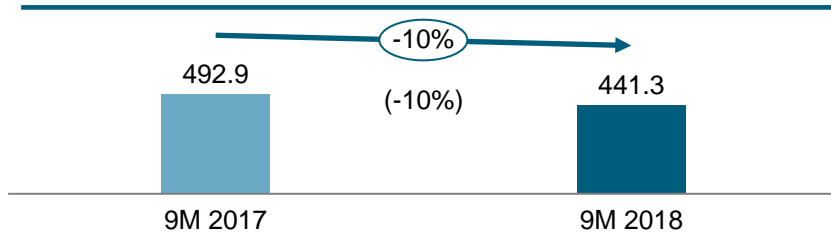
Agenda

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

Strong Q3 performance driven by improved commercial execution and recovery from the destocking

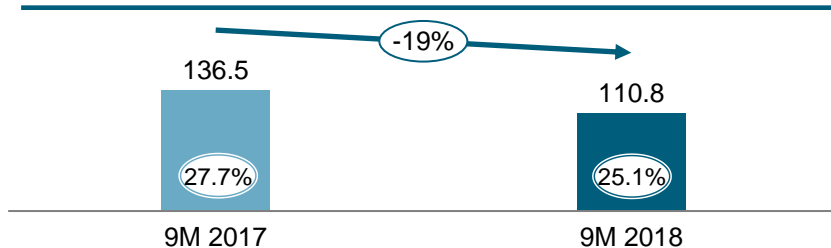
Net sales

MSEK, sales growth in % (constant currency growth in %)



EBITDA

MSEK, EBITDA margin as % of Group net sales



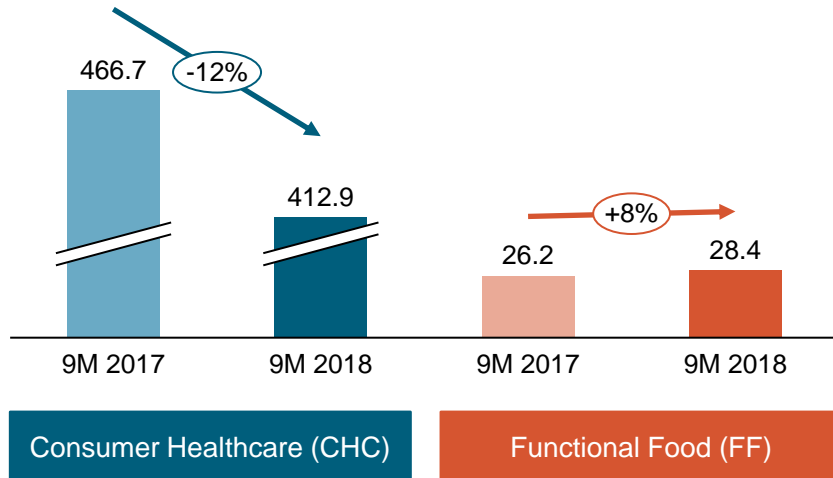
Key developments in the quarter

- Q3 net sales increase to MSEK 169, up 26% or MSEK 35 quarter-on-quarter
- Probi appoints Tom Rönnlund as new CEO, starting end of 2018, and implements a new, customer-centric organizational structure
- Partial early redemption of bank borrowings for a total amount of MSEK 57

Gradually closing the sales gap in CHC

Net sales by segments

MSEK, sales growth in %



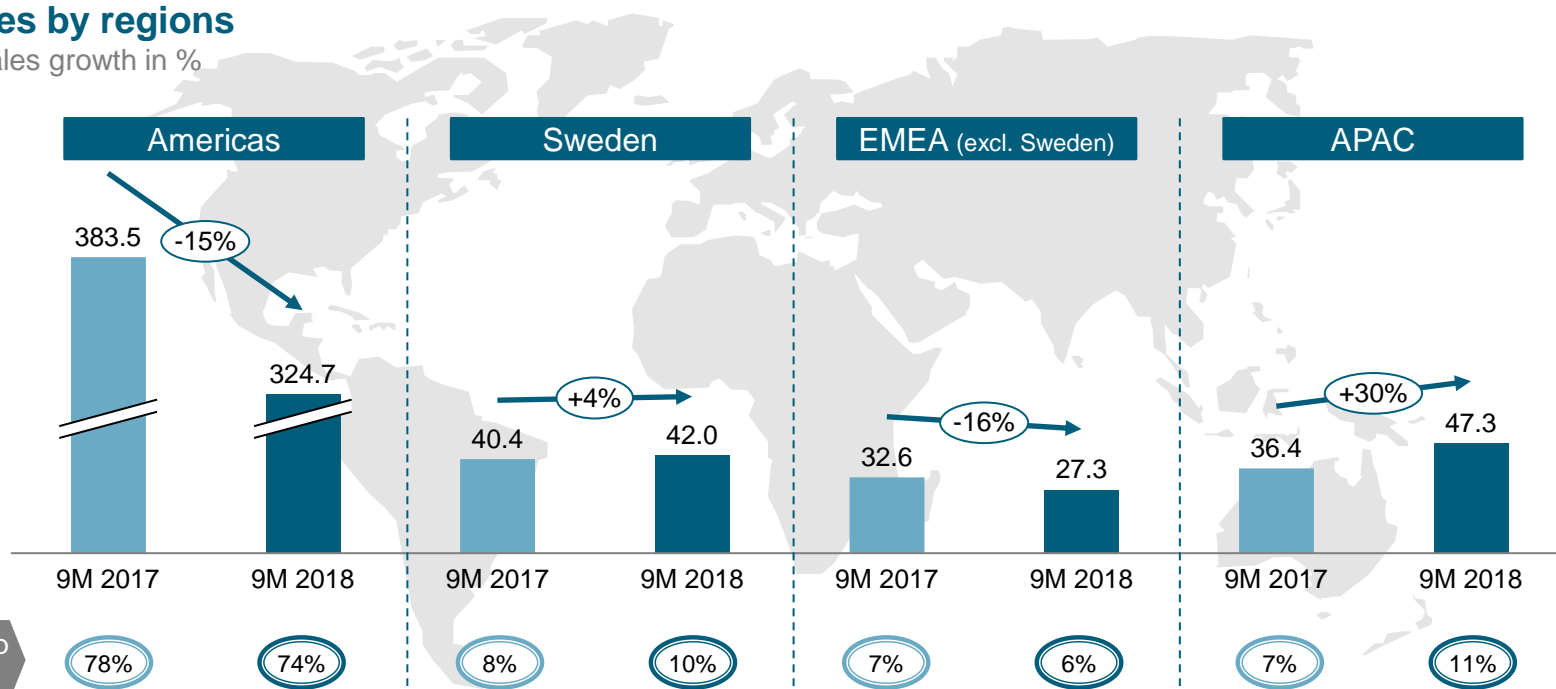
Key aspects

- Sales decline in CHC attributable to the destocking effect as well as soft demand in EMEA
- Strong Q3 performance in CHC, driven by new launches in the US and resumed demand after recovery from destocking program
- FF continues to deliver favorable volume growth while new launches progress according to plan

Asia continues to be a strategic focus for Probi

Net sales by regions

MSEK, sales growth in %



% of Group net sales

Probi implements new organizational structure and appoints Tom Rönnlund as new CEO



- More than 20 years of experience in sales, marketing, and general management positions in the healthcare industry
- Will assume his position as CEO of Probi by the end of 2018
- New global organization structure will transition the company to a customer-centric organization
- Centered around three global groups – R&D, Marketing and Operations, and focused on marketing best-in-class products to the regional sales teams based on Probi's full suite of offerings
- The new global Operations and Marketing groups will be managed from the US, while Probi HQ and R&D will continue to be located in Sweden

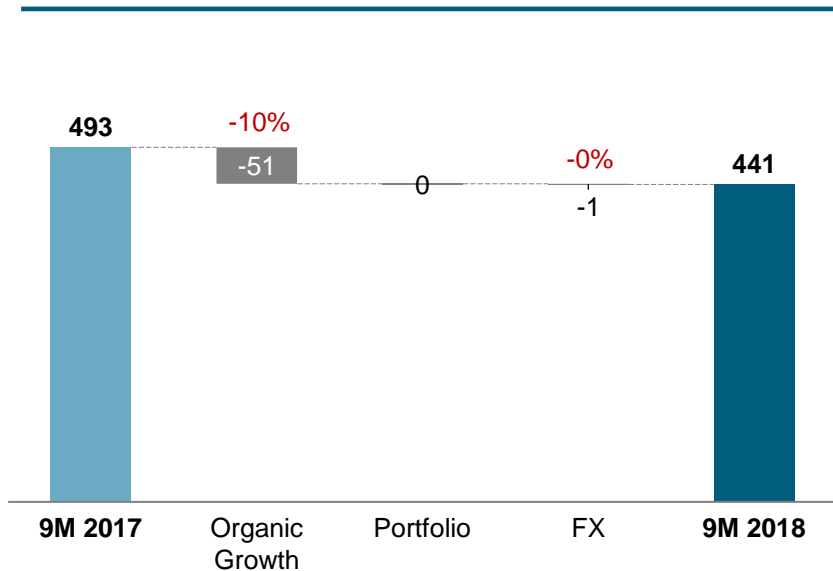
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Returned to quarter-on-quarter organic growth in Q3

Probi sales bridge

MSEK, change in %



Condensed P&L

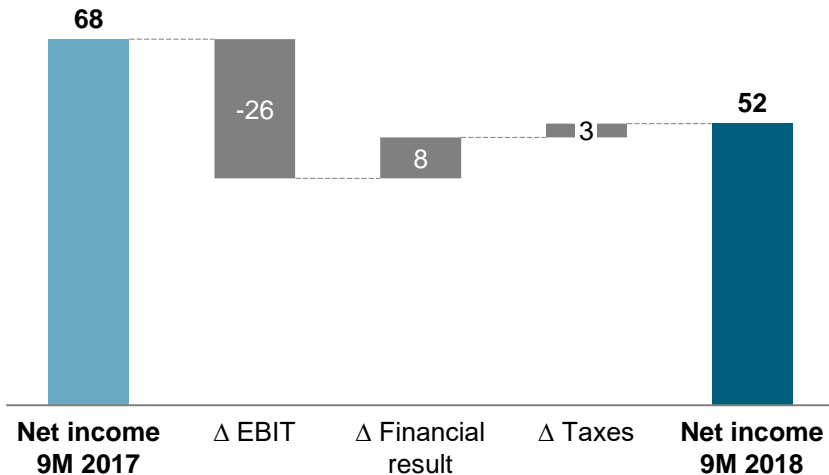
MSEK, change in %

	9M 2018	9M 2017	Change
Net sales	441.3	492.9	▼ -10%
EBITDA	110.8	136.5	▼ -19%
EBITDA margin	25.1%	27.7%	▼ -2.6pps
EBIT	70.5	96.4	▼ -27%
Net income	52.4	68.1	▼ -23%
EPS	4.60	5.98	▼ -23%

Significant improvement of net income in Q3

Reconciliation of net income

MSEK



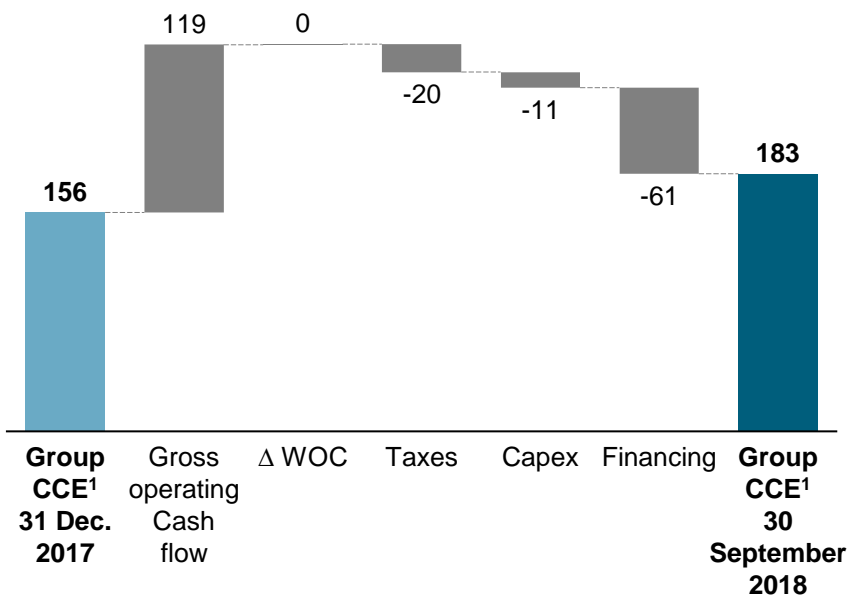
Key aspects

- Net income declines as a result of lower sales on a YTD basis, but up MSEK 19 compared to the third quarter of previous year
- Improved financial result as a consequence of favorable exchange result from financing activities

Partial early redemption of bank borrowings

Reconciliation of group liquidity 9M 2018

MSEK



Key aspects

- Gross operating cash flow of MSEK 119 in the first nine months reflects robust business model
- Continued control of working capital despite increase in quarter-over-quarter growth
- Excess group liquidity used for partial early redemption of bank borrowings in an amount of MSEK 57

Strong balance sheet and increased net cash position

Balance sheet Probi Group

MSEK, in % of total assets

Assets	30 Sept 2018	31 Dec 2017	Liabilities and equity	30 Sept 2018	31 Dec 2017
Intangibles (excl. GW)	497	488	Total equity	992	885
Goodwill	301	280			
PPE	30	34	Other non-current liabil.	7	6
Deferred tax assets	2	5	Non-current liabilities	7	6
Non-current assets	830	807	Borrowings	131	176
Inventories	75	69	Trade payables	31	27
Trade receivables	85	59	Other current liabilities	31	17
Other current assets	19	20	Current liabilities	193	220
Cash and cash equiv.	183	156	Total liabilities	200	226
Current assets	362	304			
Total assets	1,192	1,111	Liabilities and equity	1,192	1,111

Key aspects

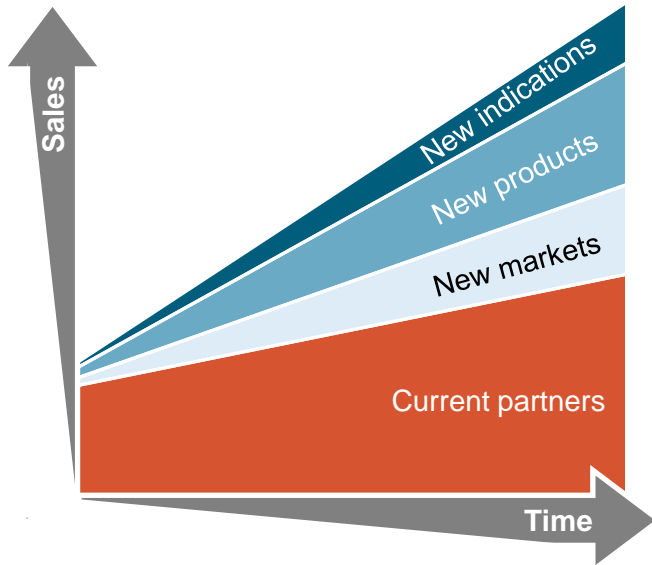
- Net cash MSEK 51
- Leverage ratio¹ of -0.39 LTM EBITDA
- Total equity of MSEK 992
- Equity ratio 83%

1. Leverage ratio =
Net financial debt divided by LTM EBITDA

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Back on track to carry on with our growth strategy



- Delivered our target of organic net sales growth and margin improvement
- Building the foundation for the next level of innovation and growth

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