



Q3 2020 Conference Call

Tom Rönnlund, CEO
Henrik Lundkvist, CFO

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Agenda

1 Executive Overview

2 Financial Review

3 Outlook

4 Q&A

Strong growth in Q3

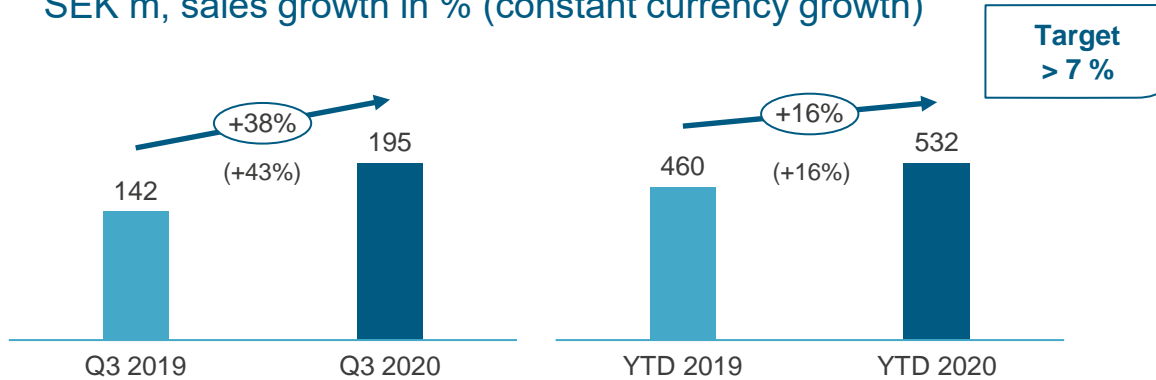
- Net sales growth by 38% driven by strong development in region Americas
- EBITDA margin 32% in Q3 and 28% YTD
- Weaker development in EMEA and APAC as result of earlier stock build-up
- New management team complete with recruitment of VP R&D
- New research study showing link between probiotics and reduced side-effects related to acute stress
- Generally limited impact of COVID-19 on Probi operations
- **Post quarter:** Acquisition of shares and strategic partnership with Vital Nutrients Holdings



Strong sales growth with good profitability in Q3

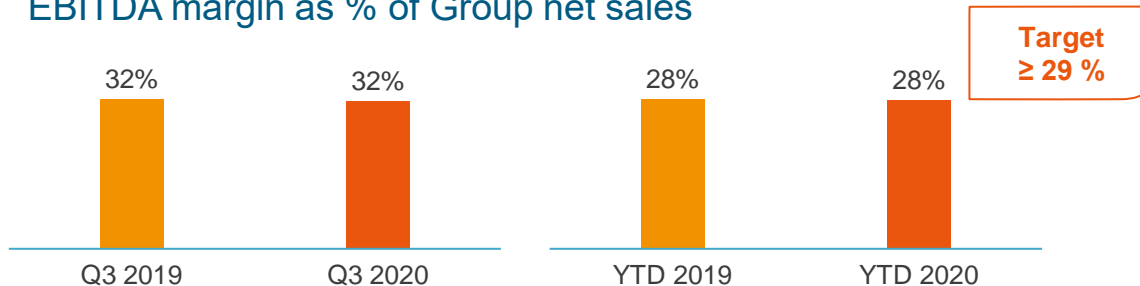
Net sales

SEK m, sales growth in % (constant currency growth)



EBIDTA %

EBITDA margin as % of Group net sales

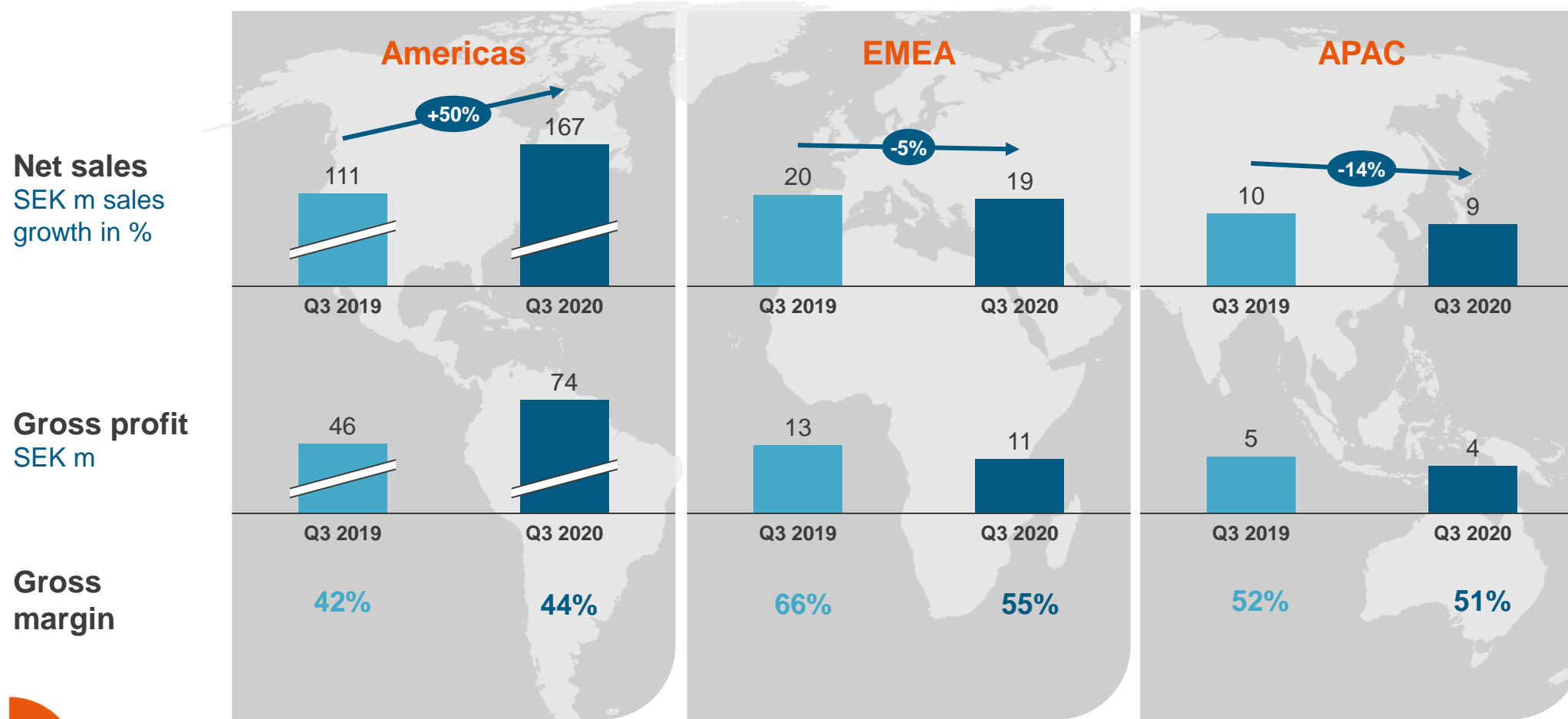


Highlights in the quarter

- Net sales (organic) growth by 38%
- Positive one-off effect in the quarter of SEK ~15 m from customer update program in region Americas
- Higher sales and product mix delivered good margin
- Higher OPEX in Q3 reflecting increased activity levels



Net Sales and Gross Profit by region



Post quarter: Strategic partnership with Vital Nutrients Holdings

- Consumer health & nutritional supplement company focused on high quality dietary supplements
- Brands: Vital Nutrients, Bariatric Fusion and Hyperbiotics
- Main sales channels: Healthcare practitioner networks and direct to consumers via established e-commerce marketplaces
- Group net sales of USD 40 m (2019)

Purpose	Partnership	Investment
<ul style="list-style-type: none"> • Opportunities for sales growth by extended supply • Evaluate access to new/expanded sales channels • R&D collaboration • New product planning collaboration • Production collaboration 	<ul style="list-style-type: none"> • Access to Vital Nutrients brands • R&D and product development • Long-term supply agreement with Hyperbiotics 	<ul style="list-style-type: none"> • Investment of USD 6 m in Vital Nutrients Holdings • Probi 2nd largest shareholder with slightly less than 10% ownership • Board representation • Financed through own cash • Medium to long term investment perspective





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1 Executive Overview

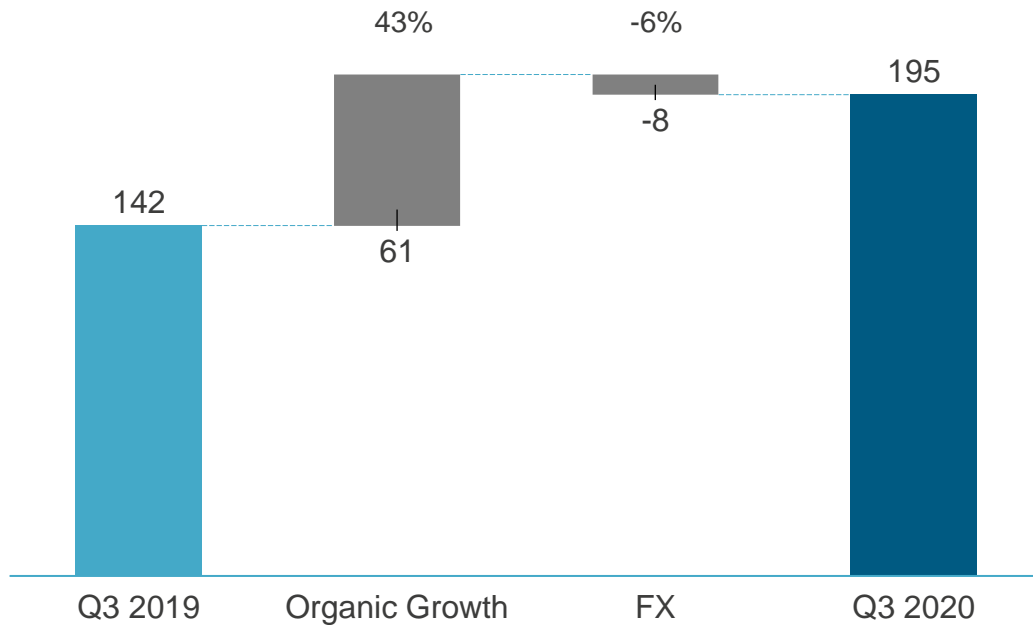
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Strong organic growth in the quarter

Probi sales bridge
SEK m, sales in %



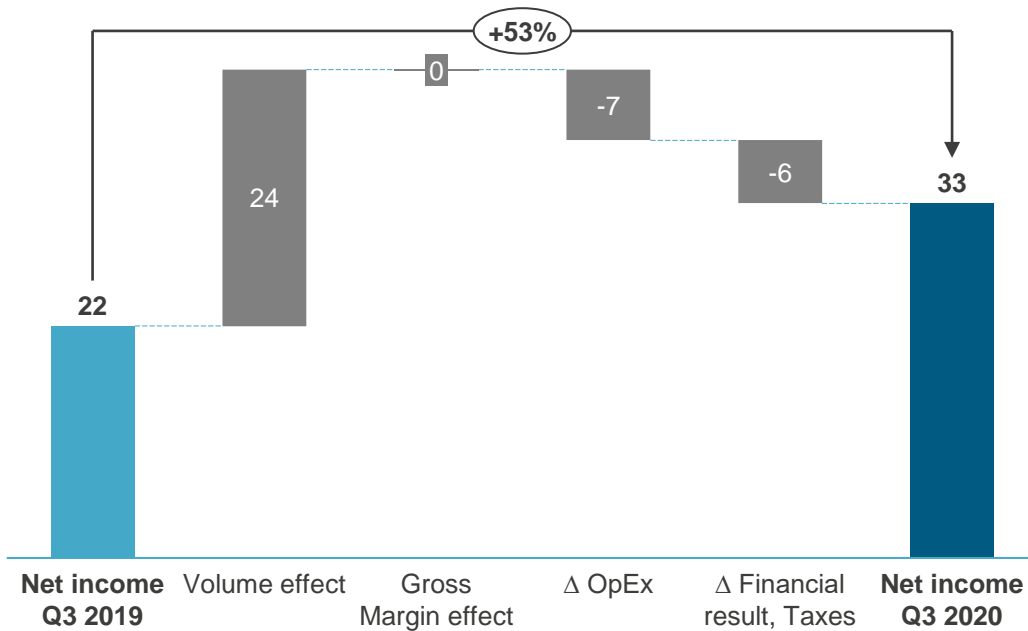
Condensed P&L
SEK m

	Q3 2020	Q3 2019	Change
Net sales	194.6	141.6	▲ 38%
EBITDA	61.5	45.4	▲ 35%
EBITDA margin	31.6%	32.1%	▼ -0.5pp
EBIT	44.1	26.7	▲ 65%
Net income	33.2	21.7	▲ 53%
EPS	2.91	1.90	▲ 53%



Higher sales volumes increases net income

Reconciliation of net income SEK m



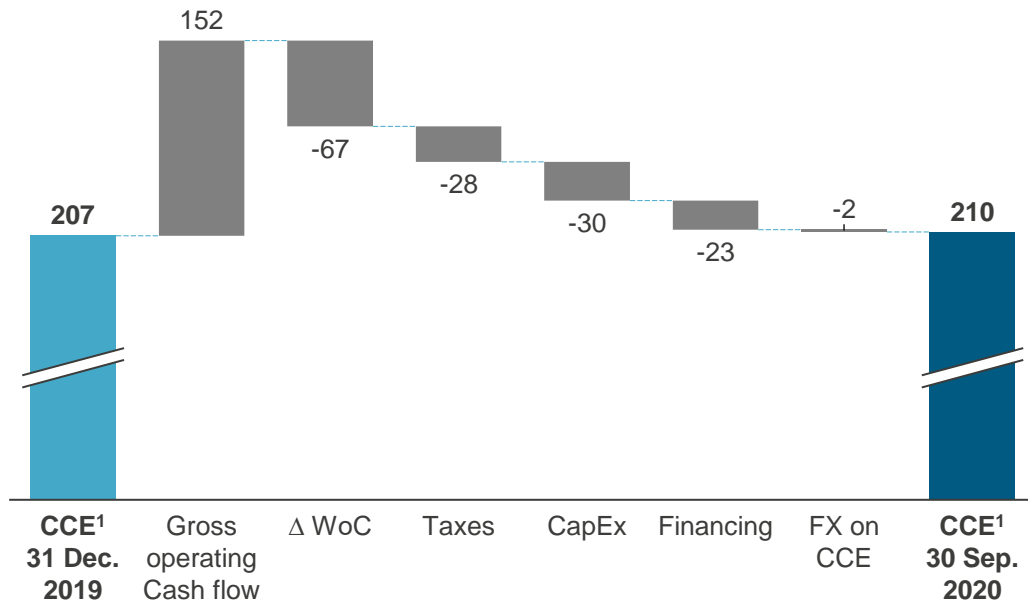
Key aspects

- Net income increased by SEK 11 m (+53%) compared to previous year
- Higher sales volumes generates strong contribution to net income
- Operating expenses increased through higher activities in R&D, strengthened sales organization and increased business development activities
- FX effect of SEK -1 m in financial result
- Increased income tax based on strong result



Cash-flow temporarily affected by customer specific project

Reconciliation of group liquidity SEK m



Key aspects

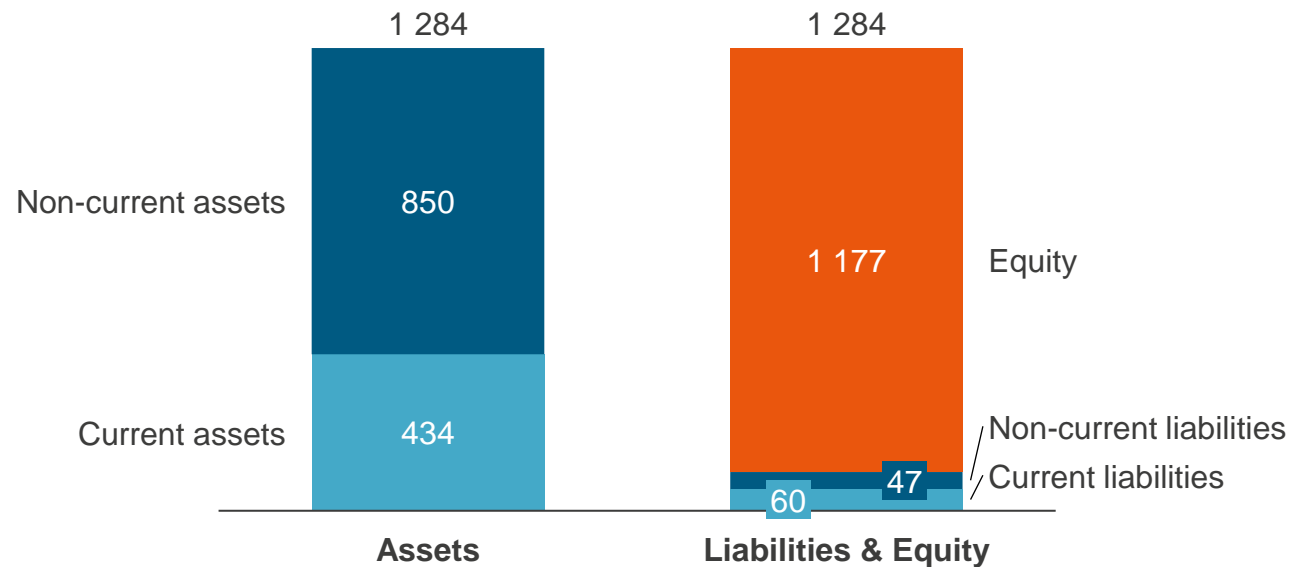
- Gross operating cash flow of SEK 152 m reflects robust business model
- Inventory build-up in connection with launch of updated product range for large US customer
- Trade receivables at high level due to large order shipments in Q3
- Capex mainly related to manufacturing upgrade program
- Financing includes payment of dividends of SEK 11 m



¹ CCE = Cash and cash equivalents.

Solid balance sheet with no external loans

Balance sheet as per September 30, 2020
SEK m



Key aspects

- Total equity of SEK 1 177 m
- No external loans
- Equity ratio 92%






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Strategic focus

 Doubled sales

 Growth

- Stronger presence in growth markets
- Solidify position in premium probiotic segments
- Strategic partnerships
- Acquisitions

 Lead the way in probiotic innovation and science

 Accelerate development of new products

- Expand range of clinically documented offerings
- Increase international collaborations
- Evaluate growth potential in probiotic related market segments

 Manufacturing excellence

 More efficient manufacturing

- High quality production adapted to market needs
- New manufacturing capabilities in growth regions
- Gradually improved gross margins





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Financial calendar

Year-end report 2020:	February 9, 2021
Interim report Q1 2021:	April 23, 2021
Annual General Meeting:	May 7, 2021
Interim report Q2 2021:	July 16, 2021
Interim report Q3 2021:	October 22, 2021
Year-end report 2021:	February 2, 2022

