



# Q1 2022 Conference Call

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# Agenda

**1 Executive Overview**

**2 Financial Review**

**3 Outlook**

**4 Q&A**

# Order patterns contribute to weaker start 2022

- Net sales decreased by 10% (-16% currency adjusted) in Q1 and by -2,5% RTM
- EBITDA margin 25% in Q1 (28%) due to lower volumes
- Region Americas affected by order patterns from large customers – rest of year expected to be in line with previous year
- EMEA continues to show good development adjusted for milestone-related revenues in 2021
- APAC on par with previous year, Sinopharm on track with roll-out
- No immediate negative business effects from the war in Ukraine – expecting delays in certain market launches
- Important milestone in technology transfer of Blis' products, revenues from own production expected during second half of this year

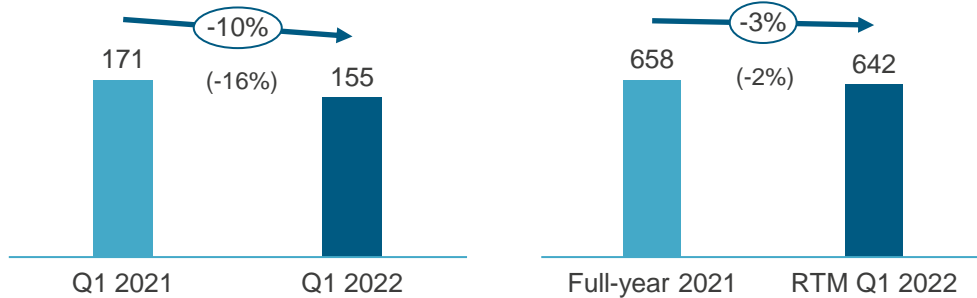


# Americas affecting net sales negatively in Q1

## Net sales

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

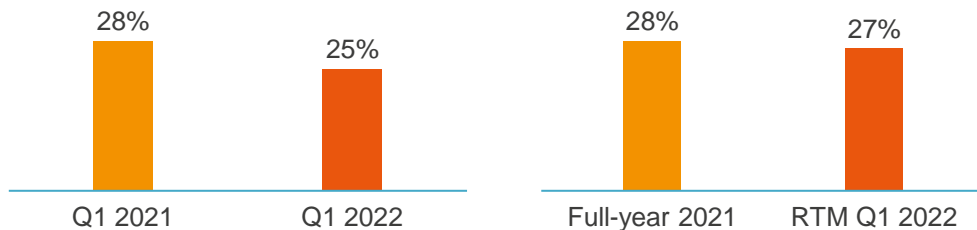
Target  
> 7 %



## EBITDA %

EBITDA margin as % of Net sales

Target  
≥ 29 %



## Highlights in the quarter

- Net sales in Q1 decline by 10%.
- Net sales RTM decline by 2,5%.
- High profitability in EMEA and APAC in Q1 were offset by decreased margin in Americas due to lower volumes
- EBITDA margin RTM 27%, slightly lower than FY2021



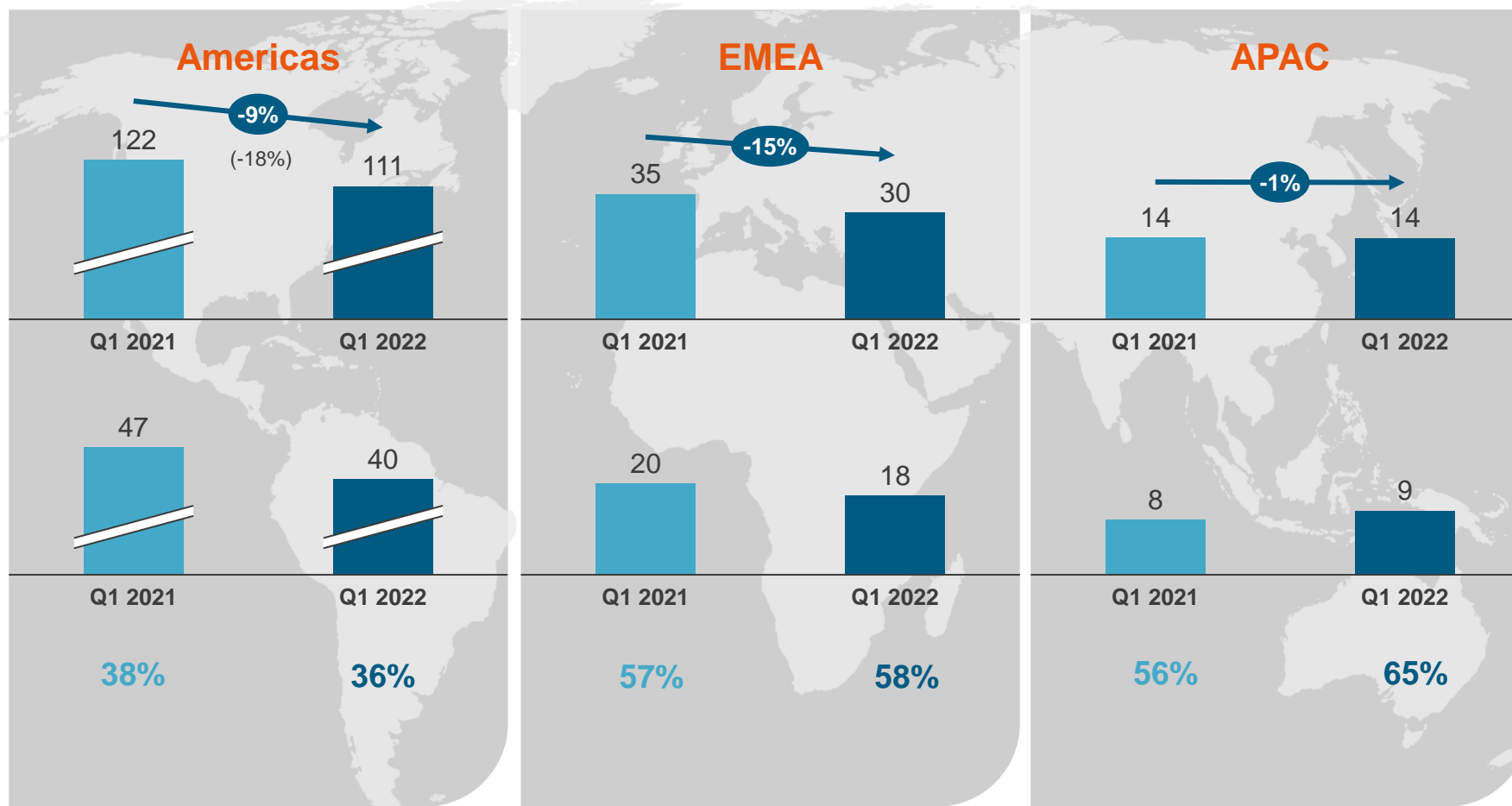


# Net Sales and Gross Profit by region

**Net sales**  
SEK m sales  
growth in %  
(constant currency  
growth)

**Gross profit**  
SEK m

**Gross margin**



# Progress in partner development projects

## Technology transfer of Blis – first batch



- First commercial production batches of dairy-free BLIS K12 at Probi site
- Enabled by upgrade of fermentation facility in Redmond
- BLIS K12 is part of a portfolio of clinically documented bacterial strains for oral health
- Non-dairy products in formulation important to offer customers allergen free probiotics
- Revenue from Probi inhouse produced Blis strains expected during second half of 2022

## Skin care ingredient from fermentation broth



- SymFerment®, a new skin care ingredient, launched by Probi's partner Symrise in April 2022
- The ingredient is produced from upcycled fermentation media in regular production
- Multiple positive effects:
  - ✓ New application area and revenue streams
  - ✓ Lower resource use by reusing water from the production process
  - ✓ Gross margin improvement opportunities in production as a result of less waste





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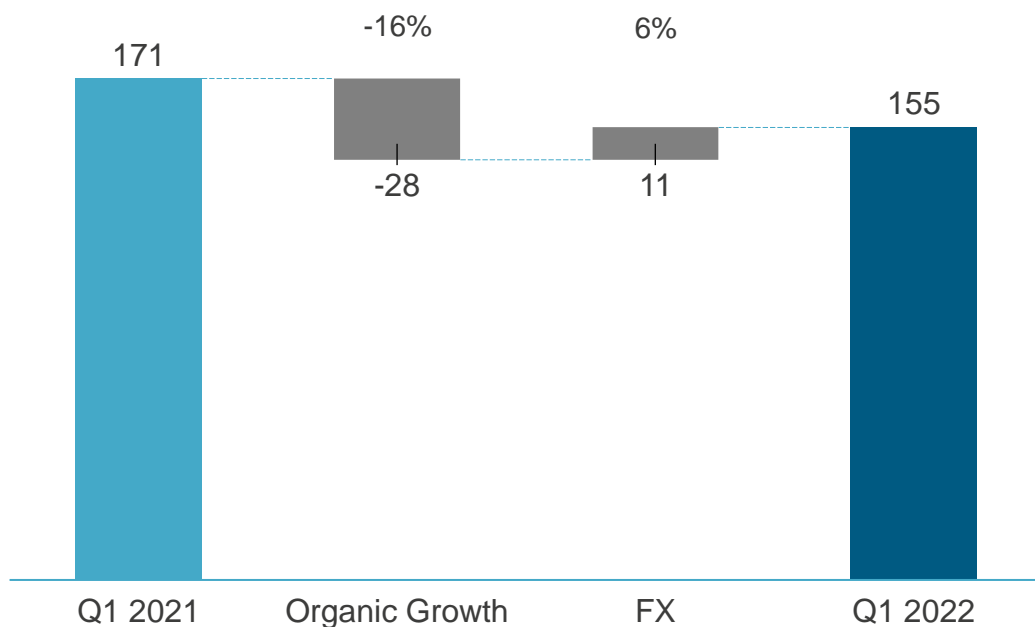
**4 Q&A**



# Customer order pattern in US put pressure on organic sales

## Probi sales bridge

SEK m, sales in %



## Condensed P&L

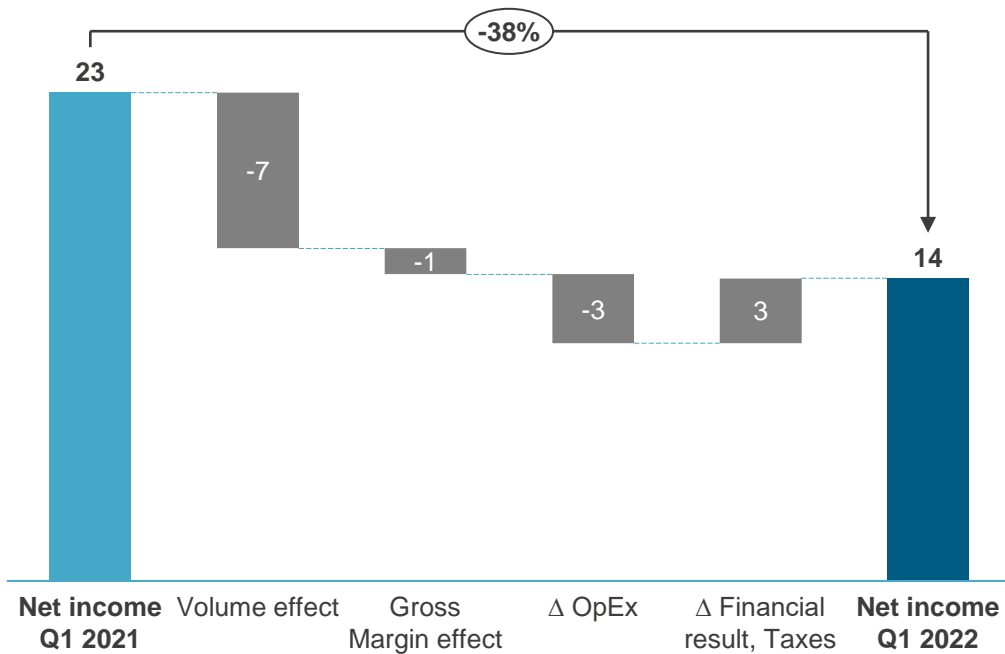
SEK m

	Q1 2022	Q1 2021	Change
<b>Net sales</b>	154.7	171.3	▼ -10%
<b>EBITDA</b>	38.3	47.1	▼ -19%
<b>EBITDA margin</b>	24.7%	27.5%	▼ -2.8pp
<b>EBIT</b>	18.5	30.1	▼ -39%
<b>Net income</b>	14.0	22.6	▼ -38%
<b>EPS</b>	1.23	1.99	▼ -38%



# Lower volumes impact net income negatively

## Reconciliation of net income SEK m



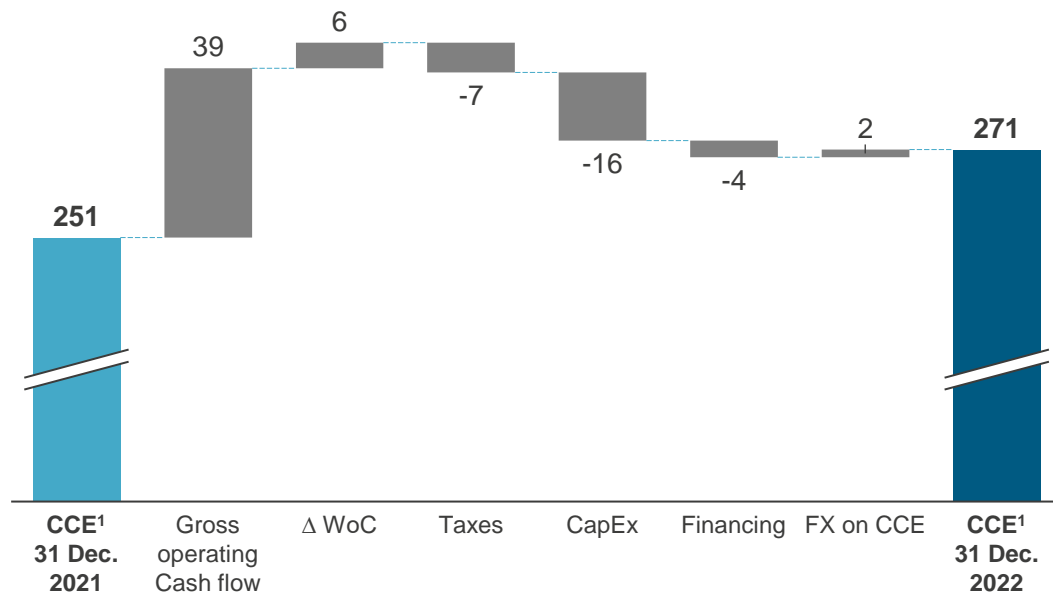
## Key aspects

- Net income decrease by SEK 9 m compared to previous year mainly explained by lower sales volume
- Improved gross margins in EMEA and APAC not compensated by volume effect in Americas
- OpEx slightly higher due to sales activities and business development projects



# Solid cash flow from operations

## Reconciliation of group liquidity SEK m



## Key aspects

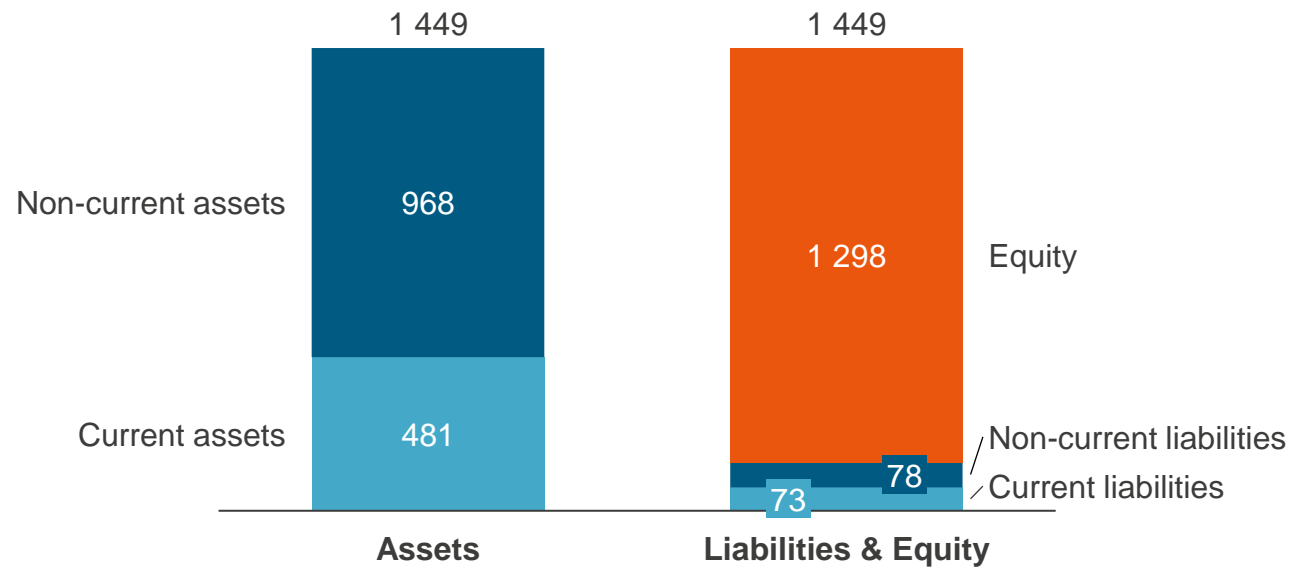
- Cash flow from operating activities in line with 2021
- CapEx SEK 8 m higher than Q1 2021 and attributed to investments in production plant and rebuilding and upgrade of laboratory in Lund
- Financing includes payments of lease obligations
- Positive FX effect on cash in the quarter by SEK 2 m



<sup>1</sup> CCE = Cash and cash equivalents.

# Solid balance sheet with no external loans

Balance sheet as per March 31, 2022  
SEK m



## Key aspects

- Total equity of SEK 1 298 m
- No external loans
- Equity ratio 90%





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# Strategic focus

**Doubled sales**



**Growth**

- Stronger presence in growth markets
- Solidify position in premium probiotic segments
- Expand global key account portfolio
- Strategic partnerships and 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
- Develop manufacturing capabilities/partnerships in growth regions
- Gradually improved gross margins





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# Financial calendar

Annual General Meeting 2021:	May 5, 2022
Payment date for dividend:	May 12, 2022
Interim report Q2 2022:	July 15, 2022
Interim report Q3 2022:	October 21, 2022
Year-end report 2022:	January 27, 2023

