



# Q3 2023 Conference Call

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# Agenda

**1. Executive Overview**

**2. Financial Review**

**3. Outlook**

**4. Q&A**

# New strategic focus and improved sales trend

- Net sales in the third quarter increased by 8% (6% adjusted for currency effects) to SEK 156 m (145)
- All regions showed growth compared to the previous year.
- The EBITDA margin decreased to 18% (25%) or 20% adjusted for items affecting comparability
- **Probi Reinforced** - a new 5-year business plan and new financial targets for 2024-2028
- Publication of 3rd clinical trial of HEAL9™ strengthens evidence of improved cognitive performance. Launch of new concept: Probi® Sensia, based on HEAL9™
- New study in metabolic health shows clear benefits of Probi's probiotics
- New CFO announced - Per Lindblad will start on November 1





# Probi Reinforced: a new 5-year business strategy to deliver sustainable and profitable growth



# New long-term financial targets 2024-2028

## Growth is expected to come from:

- New products and innovation
- Current and new customers

## By region (%growth rate):

1. APAC
2. EMEA
3. AMERICAS

## 2024 – a year of transition

Due to long industry sales cycles and our ongoing manufacturing remediation program, we expect 2024 to be a transitional period with modest expectations

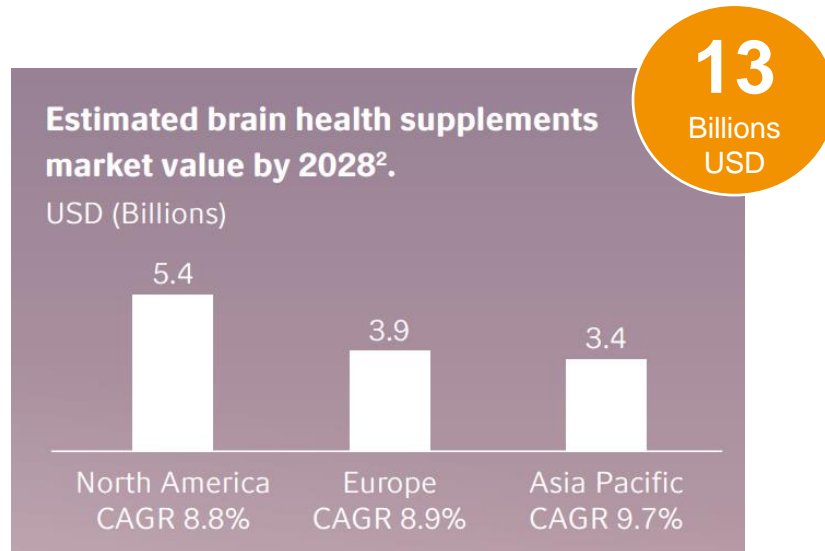
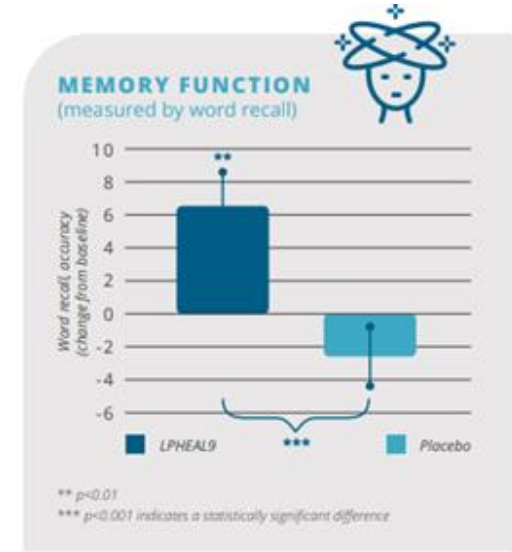
*Ambitious targets, based on the updated strategic direction*

- **Net Sales:**  
Deliver  $\geq 6\%$  CAGR in revenue over next 5 years
- **EBITDA:**  
*Gradually* increase EBITDA starting from 2025 and being at or exceeding 25% by 2028



# Probi<sup>®</sup> Sensia: Strong Launch in growing Health Area

- Mental health – the fastest-growing category within the global dietary supplements market
- Product concept well-supported by clinical and scientific data
- Designed to optimize and maintain important cognitive functions such as memory, mood, sleep and stress
- Broad usage; from dietary supplements to functional foods and beverages
- Launch ongoing – current sales dialogues with potential customers



Euromonitor International's Health and Nutrition Survey (2022): total respondents, n= 20236



Results clinical study





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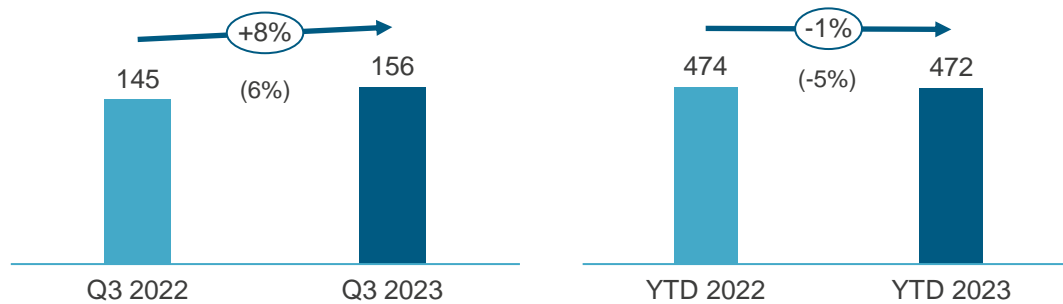
**4. Q&A**



# Increased sales in all regions

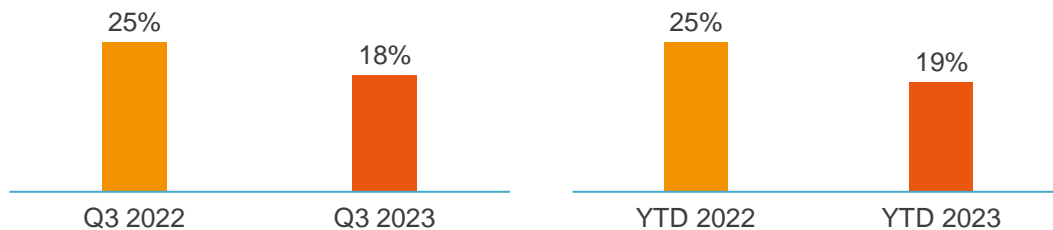
## Net sales

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



## EBITDA %

EBITDA margin as % of Net sales



## Highlights in the quarter

- Net sales in Q3 increased by 8% (6% FX adjusted) and YTD by -1% (-5% FX adjusted)
- EBITDA-margin lower than previous year mainly due to higher manufacturing costs
- Adjusted EBITDA margin 20% in Q3 and 22% YTD

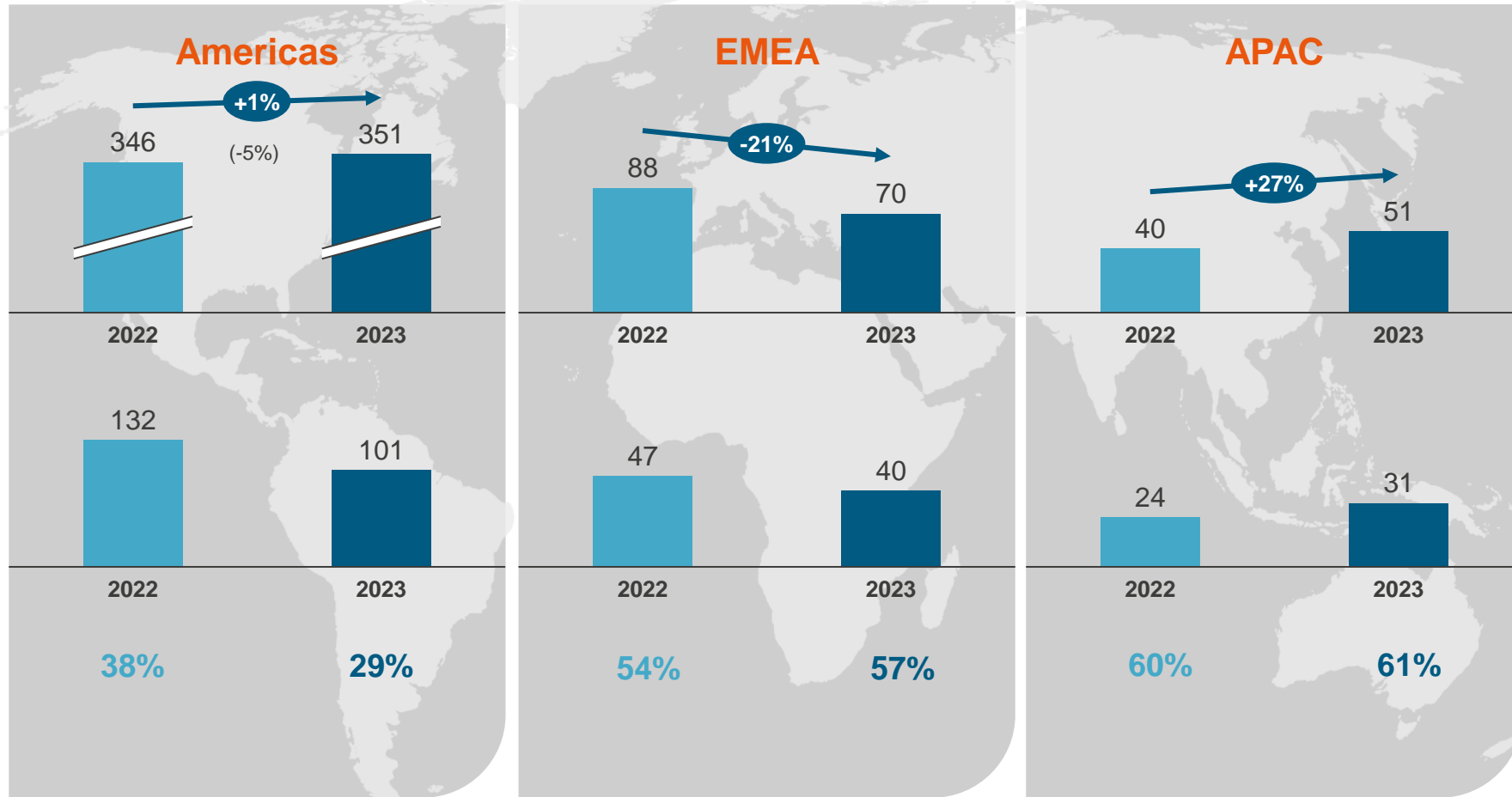


# YTD Net Sales and Gross Profit by region

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

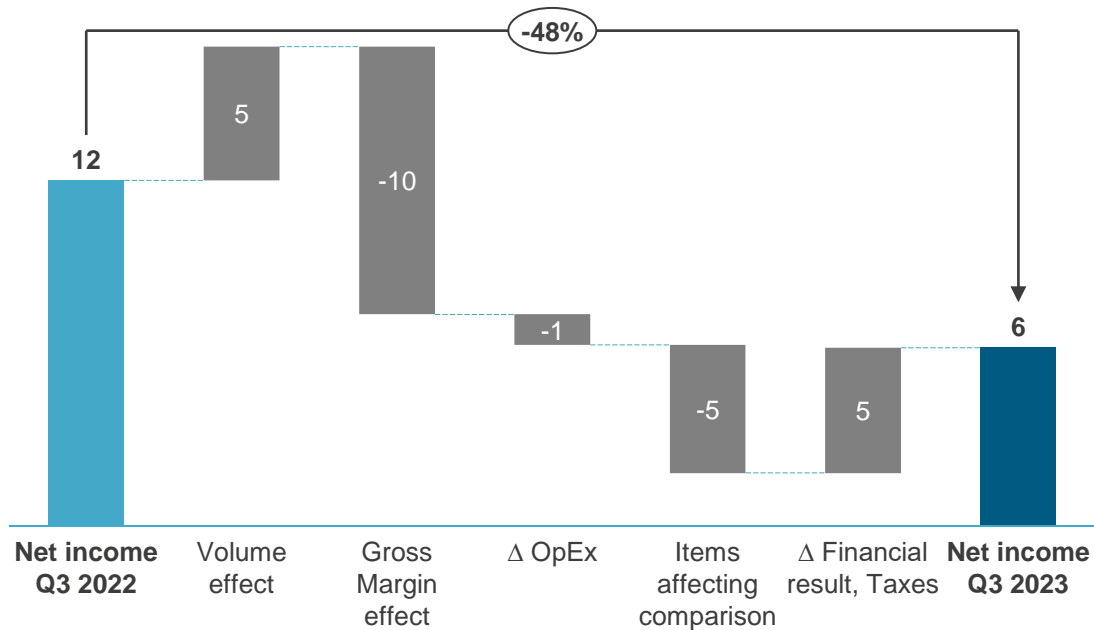
**Gross profit**  
SEK m

**Gross margin**



# Higher manufacturing costs reduce net income

## Reconciliation of net income SEK m



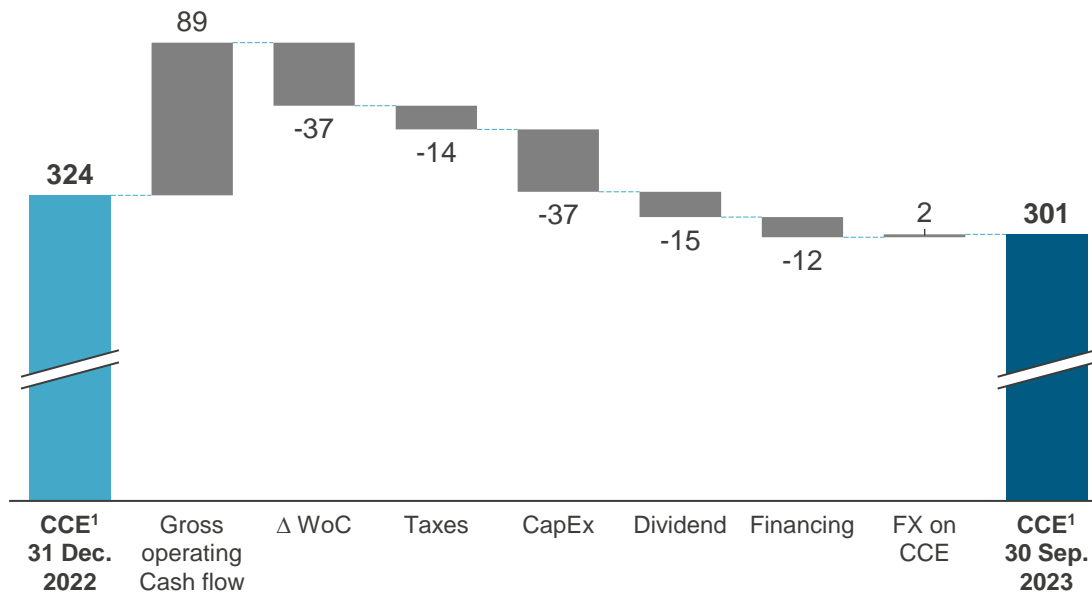
## Key aspects

- Net income decreased by SEK 6 m compared to previous year mainly explained by higher manufacturing costs
- Some costs in the quarter affecting the comparison
  - Remediation program in manufacturing (SEK 3 m)
  - Recruitment costs for strategic positions (SEK 2 m)
- Positive effect from favorable financial result and lower taxes



# Cash flow reconciliation

## Reconciliation of group liquidity SEK m



## Key aspects

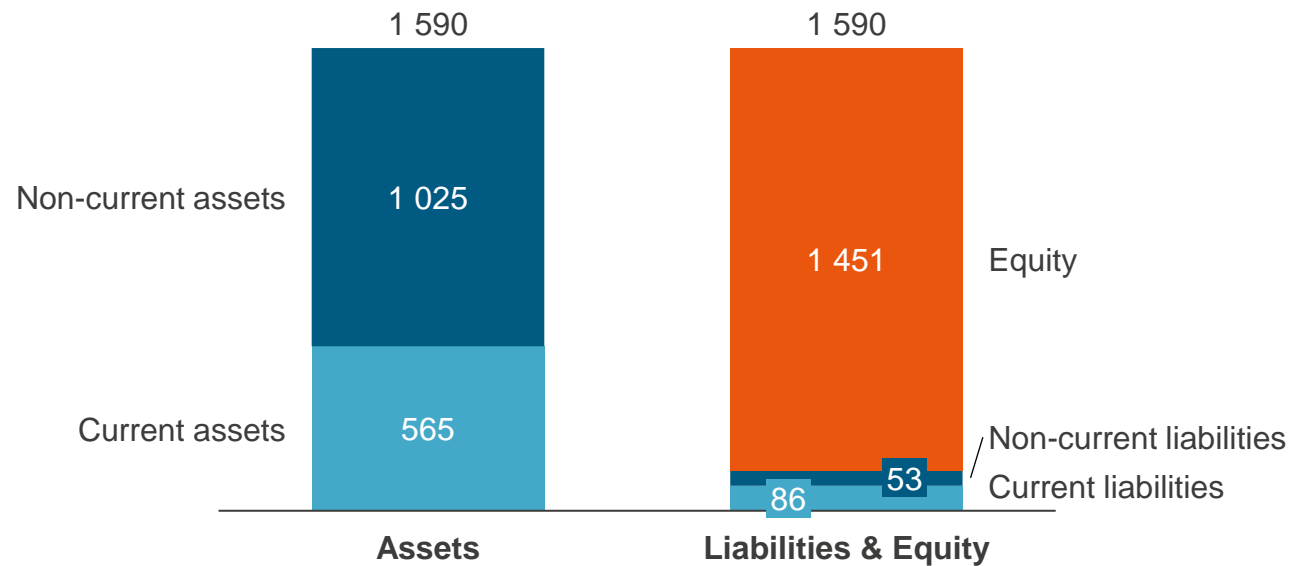
- Gross operating cash flow of SEK 89 m
- Negative working capital effect due to higher accounts receivable and inventory
- Paid taxes of SEK 14 m
- CapEx of SEK 37 m mainly due to investments in manufacturing facilities
- Dividend paid of SEK 15 m
- Financing includes payments of lease obligations



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

# Solid balance sheet with no external loans

Balance sheet as per September 30, 2023  
SEK m



## Key aspects

- Total equity of SEK 1 451 m
- No external loans
- Equity ratio 91%





A woman with long, wavy hair is seen from behind, looking out over a field at sunset. The sun is low on the horizon, creating a warm, golden glow. The woman's hair is blowing in the wind, and she is wearing a dark, patterned top.

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# My agenda for Q4 2023 and onwards

- **Systematic implementation of new strategy**
  - **Achieve sustainable profitable growth**
  - **Nurture a thriving organization with a shared purpose and passion**
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# Financial calendar

ABG Investor Day

November 22, 2023

Year-end report 2023

January 26, 2024

Interim report Q1 2024

April 23, 2024

AGM 2024

May 7, 2024

Interim report Q2 2024

July 16, 2024

Interim report Q3 2024

October 22, 2024

Year-end report 2024

January 28, 2025

