



Q3 2021 Conference Call

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Lund, 22nd October 2021



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Agenda

1 Executive Overview

2 Financial Review

3 Outlook

4 Q&A

Mixed regional development

- Net sales decreased by 18% (-17% currency adjusted) in Q3 and by -8% (-1% currency adjusted) for nine-month period
- EBITDA margin 27% in Q3 (32%) and 26% (28%) in for nine-month period
- Good quarter in Americas but weak in comparison to an all-time-high Q3 2020 which contained non-recurring revenue and Covid-related demand
- Another strong quarter in EMEA with +20% in net sales and good customer activity
- APAC on par with last year and good position for growth coming quarters
- New important customer agreements in EMEA and APAC, good foundation for continued growth
- Partnership with Blis Technologies initiated
- First tolerance study of two different bacterial strains on newborn babies carried out with good results

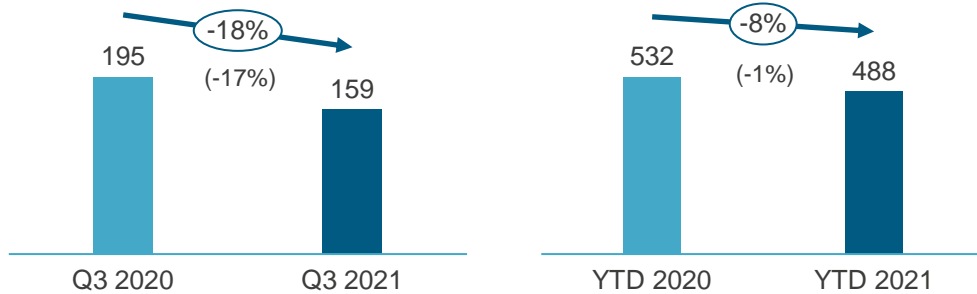


Lower sales volumes in US affect profitability in Q3

Net sales

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

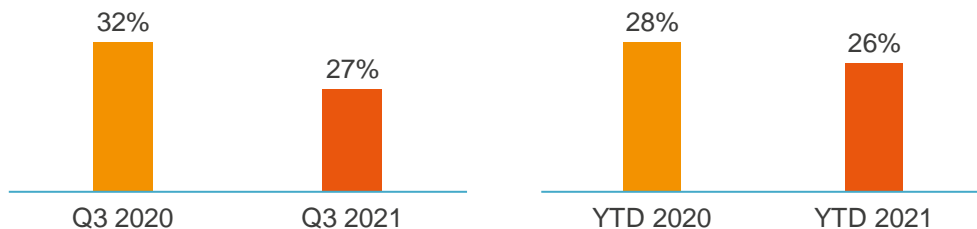
Target
> 7 %



EBITDA %

EBITDA margin as % of Net sales

Target
≥ 29 %



Highlights in the quarter

- Net sales in Q3 (currency adjusted) decline by 17%. Q3 2020 was all-time-high including one-off revenues of ca SEK 15 m.
- Net sales YTD (currency adjusted) decline by 1%.
- Profitability negatively affected by lower sales volumes

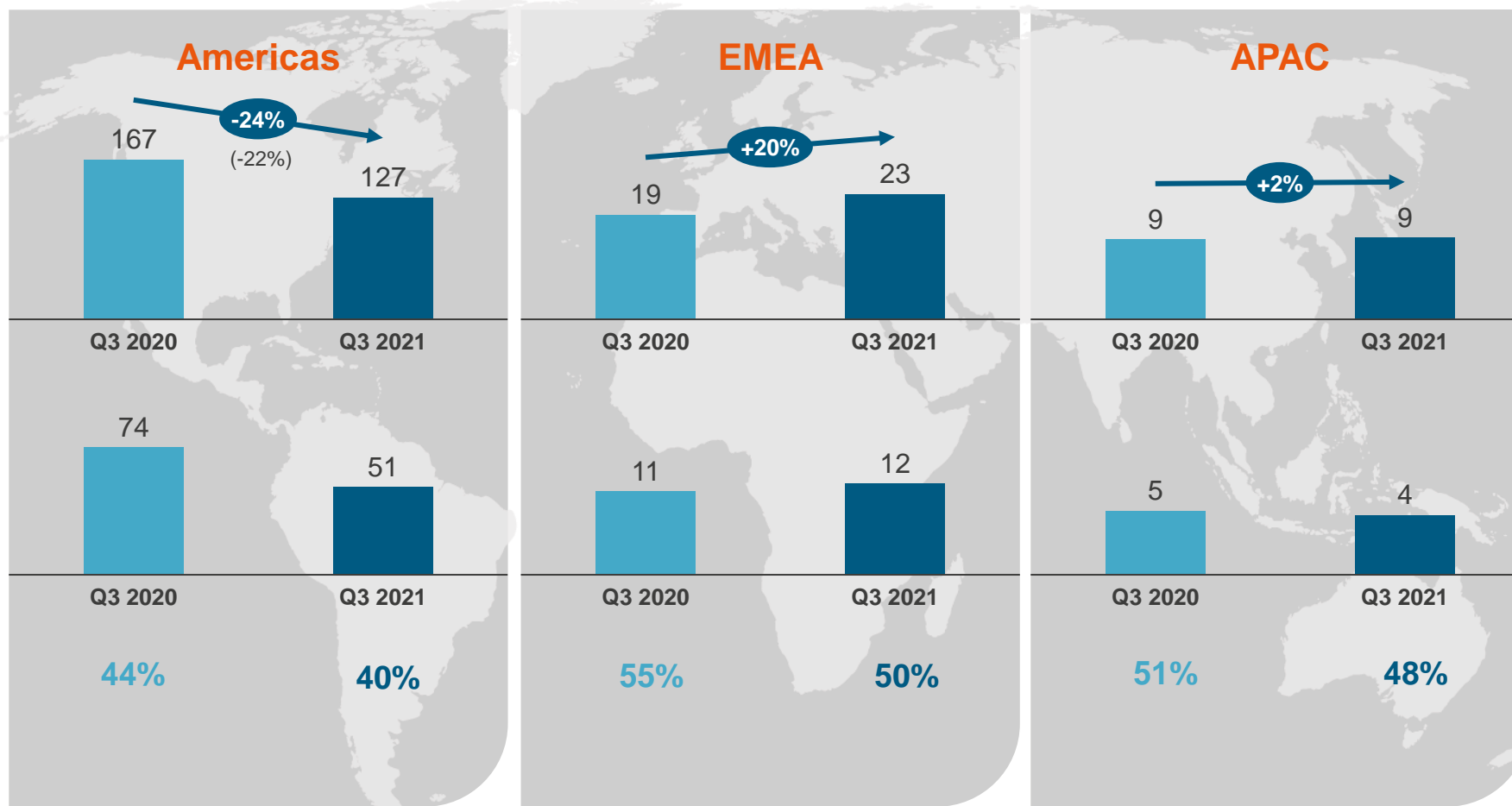


Net Sales and Gross Profit by region

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

Gross profit
SEK m

Gross margin



Strategic partnership update



Invested Q3 2021

- Technological transfer of Blis K12™ and M18™ strains to Probi manufacturing facilities initiated
- Sales teams and scientific communications trained and deployed
- Positive customer response from meetings and trade shows
- Active dialogue with +10 customers



Invested Q4 2020

- Strong sales performance in company group
- Positive impact on Amazon sales and subscriptions following transfer of account management from third-party seller
- Launching main probiotic brand in practitioner channel
- New product launches in planning





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1 Executive Overview

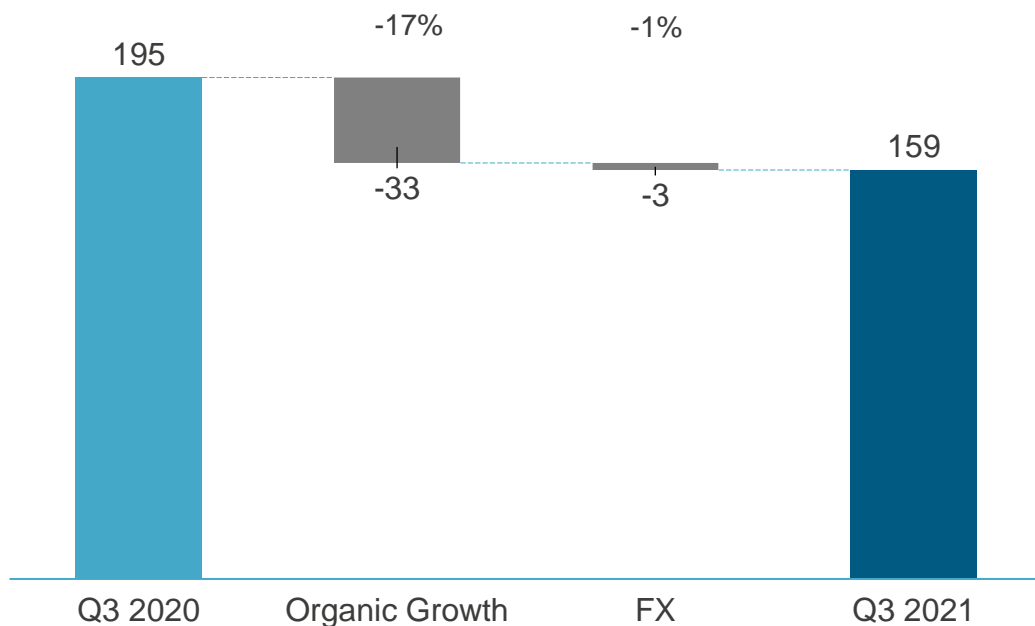
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Customer dynamics in US affecting the quarter

Probi sales bridge
SEK m, sales in %



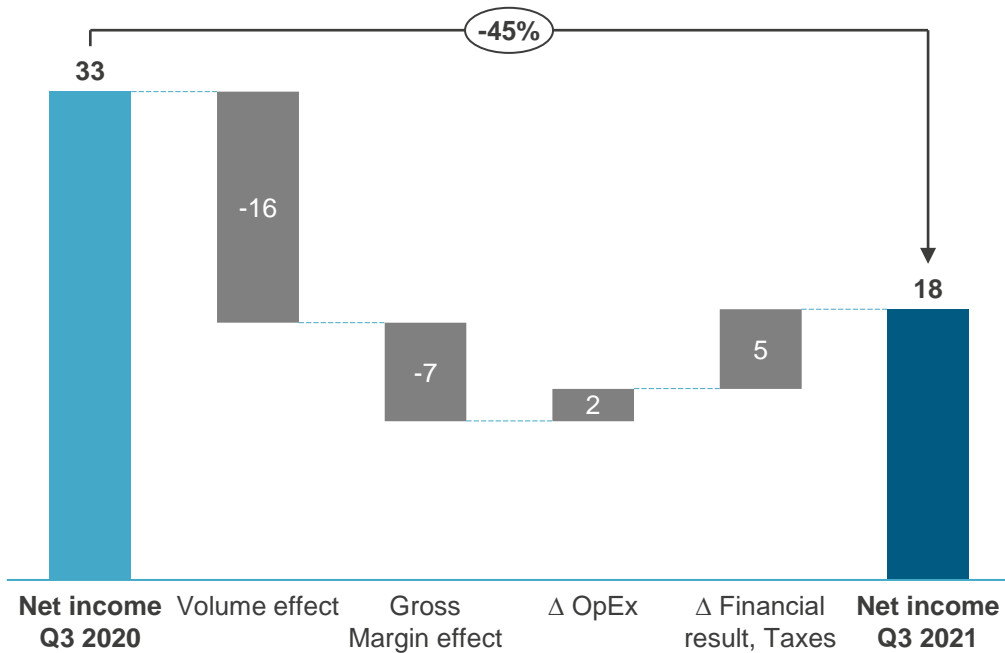
Condensed P&L
SEK m

	Q3 2021	Q3 2020	Change
Net sales	159.0	194.6	▼ -18%
EBITDA	42.3	61.5	▼ -31%
EBITDA margin	26.6%	31.6%	▼ -5.0pp
EBIT	23.9	44.1	▼ -46%
Net income	18.5	33.2	▼ -44%
EPS	1.62	2.91	▼ -44%



Net income affected by lower sales volumes

Reconciliation of net income SEK m



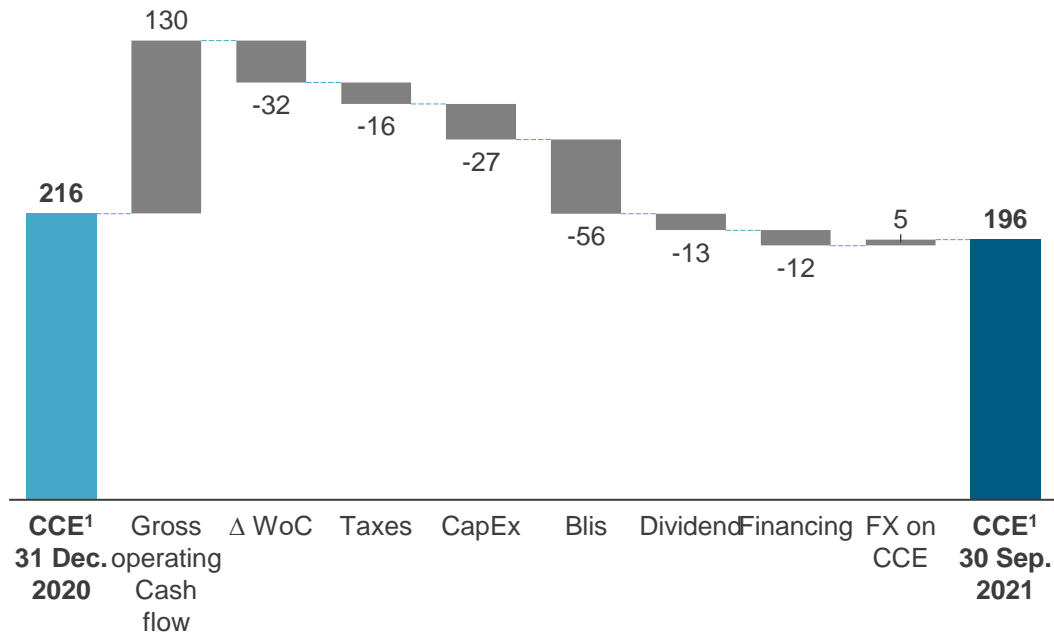
Key aspects

- Net income decreased by SEK 15 m compared to previous year
- Lower sales volumes and gross margin reduces the contribution to net income
- Slightly lower OpEx due to lower variable remunerations and personnel-related costs
- Decreased income tax based on lower result



Investment in Blis Technologies financed by strong cash flow

Reconciliation of group liquidity SEK m



Key aspects

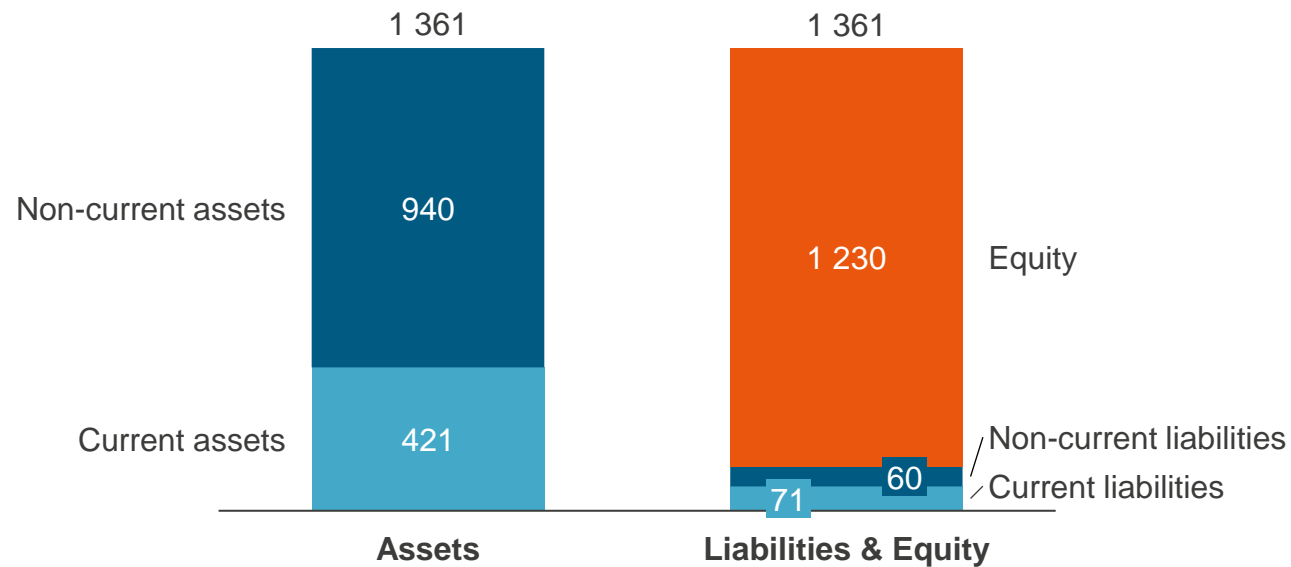
- Gross operating cash flow of SEK 130 m reflects robust business model
- Investment in Blis Technologies in Q3 of SEK 56 m
- Increased Working Capital due to high September invoicing
- CapEx mainly related to manufacturing upgrade program
- Financing includes payments of lease obligations
- Positive FX effect on cash compared to year-end 2020



¹ CCE = Cash and cash equivalents.

Solid balance sheet with no external loans

Balance sheet as per September 30, 2021
SEK m



Key aspects

- Total equity of SEK 1 230 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

Year-end report 2021:

February 2, 2022

