



Probi AB

ABGSC Life Science Summit May 2021

Tom Ronnlund, CEO
Henrik Lundkvist, CFO

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Agenda

- 1 Introduction**
- 2 Probiotics market**
- 3 Our company**
- 4 Performance update**
- 5 Q&A**

Probi

A leading international B2B probiotics company



Founded 1991



SEK 717 m Net Sales



HQ in Lund, Sweden



27% EBITDA margin



40 markets



90% Equity ratio



~180 employees



>400 patents



Listed on NASDAQ
SEK 5.600 m M.Cap



Probiotics – A solution for better health

The efficacy of probiotics has been studied for decades.

A growing body of evidence, amassed both by Probi® and by the wider scientific community has proven probiotics beneficial effects in many different health areas.





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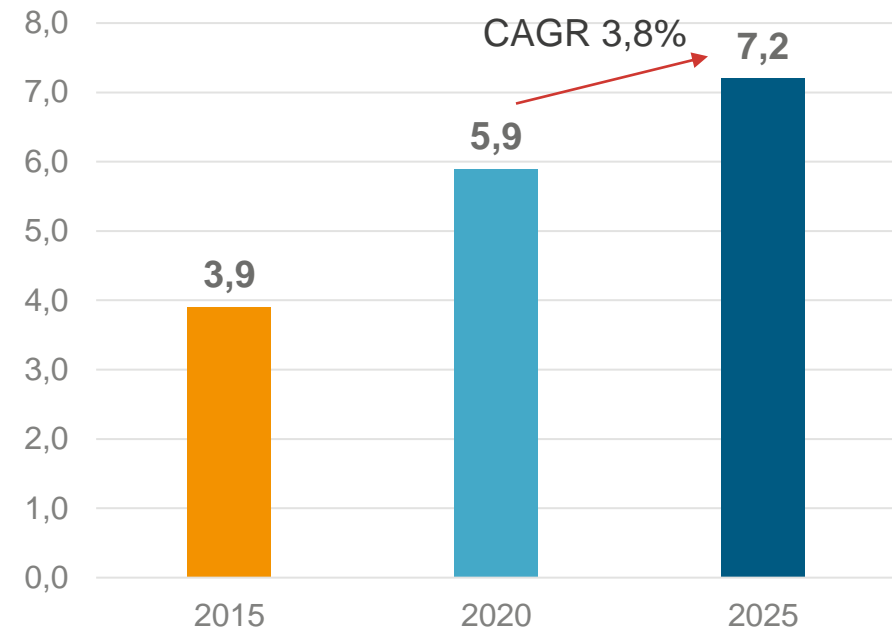
Trends driving future probiotics market

Trends impacting probiotic demand



Probiotics – Supplements

Expected global growth 2020-2025
(EUR bn consumer value, IPA)



¹ Source: Global Probiotics Market Insights – Euromonitor November 2020.



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We are probiotic pioneers

- The origins of Probi® is traced back to the late 1980s.
- Founded by a team of scientists from Lund University, Sweden, company founded in 1991
- Since then, Probi has taken the lead in identifying new strains of probiotics, backed by gold-standard research.
- More than 100 clinical trials carried out resulting in more than 270 scientific publications and more than 400 granted patents

Our strategic focus areas

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



Comprehensive portfolio

Probi has one of the market's most comprehensive portfolios of probiotic products



Clinically proven and patented health concepts



Safe probiotics for use in customer applications

Digestive health	Women's health
Immune health	65+ Senior health
Bone health	Children's health
Iron absorption	

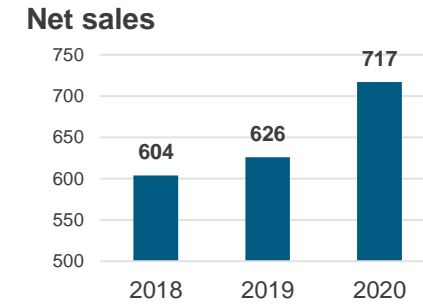
Dietary supplements



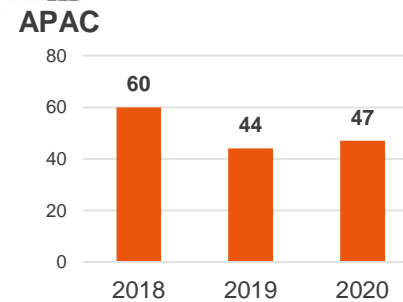
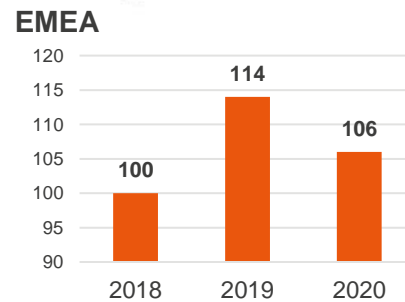
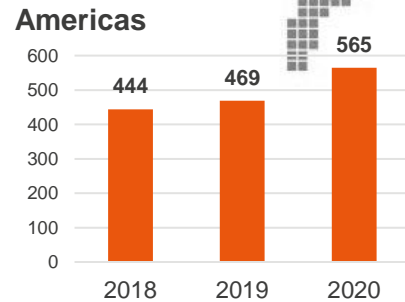
Food & beverages



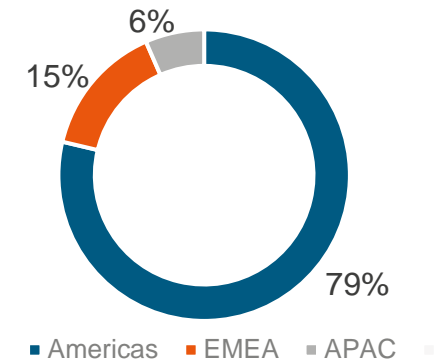
Worldwide market with strong footprint in Americas



Net sales
SEK m



Net sales distribution 2020



Highest worldwide spending on supplements per capita
Relatively mature market
Strong interest in innovative offerings

Differing growth dynamics in individual countries
Year 2020 affected by Covid-pandemic
Regulatory framework changing

Increasing disposable income and demand for premium probiotics
China growing fast – now worlds 2nd largest market



A research-driven company

- 20 inhouse R&D experts
- >400 patents
- 34 new patents approved 2020
- 12 published clinical studies last five years
- 6% of net sales invested in R&D 2020 (43 SEK m)
- Several academic and industrial partnerships

Main focus areas for R&D



Gastrointestinal



Iron absorption



Immune systems



Women's health



Bone health



Stress and mental health



Manufacturing excellence

- Fully integrated inhouse production
- Two manufacturing sites in North America

Manufacturing upgrade

- Large upgrade program in production sites 2019-2020
- Total investments in production 2020: **SEK 30 m**
- Increased capacity and quality



SEK 30 m
*Investments in
manufacturing 2020*





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A good start to 2021

- Strong underlying growth in Americas (22%)
- Strongest quarter ever in EMEA with net sales growth of 19%
- First deliveries under the Pan-European agreement with Perrigo
- Strategic partnership with China National Pharmaceutical Foreign Trade Corporation (Sinopharm Foreign Trade)
- New bone health study in collaboration with La Trobe University in Australia
- Industry forecasts indicate continued good growth in probiotic supplements with regional differences

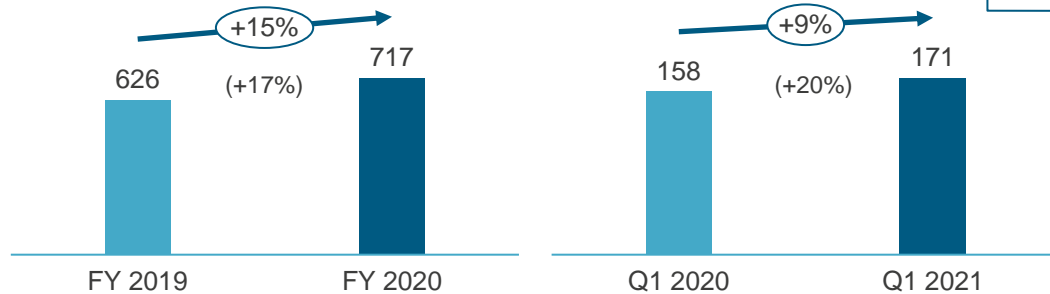


Strong organic sales growth with good profitability in Q1 2021

Net sales

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

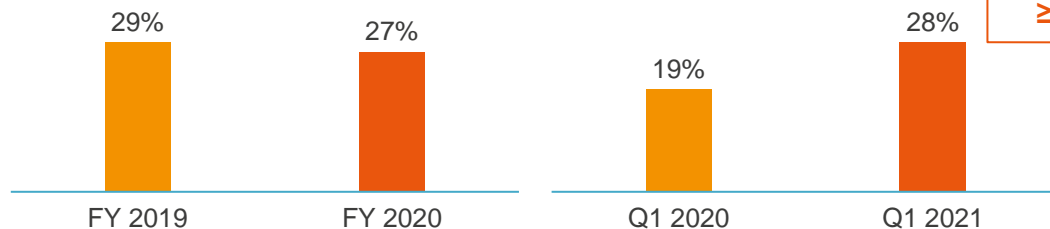
Target
> 7 %



EBITDA %

EBITDA margin as % of Group net sales

Target
≥ 29 %



Highlights in the Q1 2021

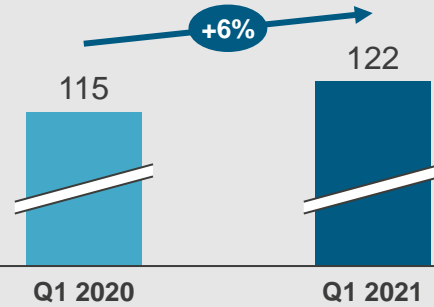
- Net sales (currency adjusted) growth by 20%
- Higher sales and product mix delivered higher gross margin (n.b. production disturbances in Q1 2020)
- Lower OPEX in Q1 reflecting reduced expenses amidst the pandemic



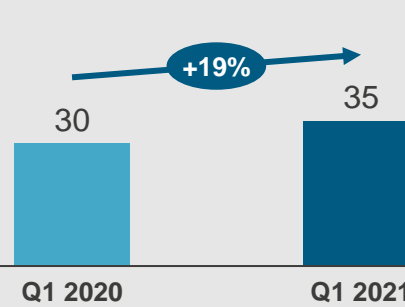
Net Sales and Gross Profit by region Q1 2021

Net sales
SEK m sales
growth in %

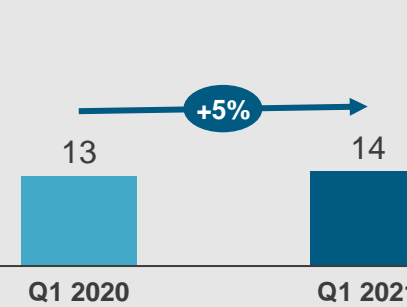
Americas



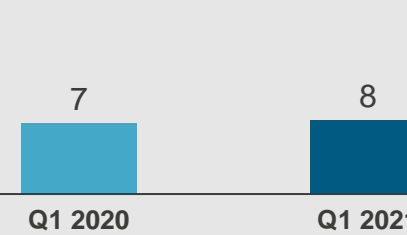
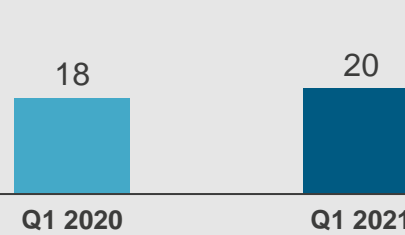
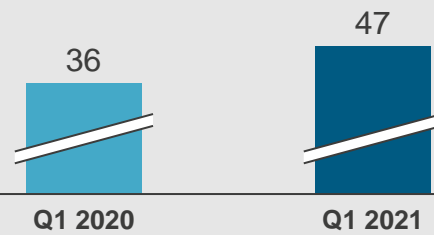
EMEA



APAC



Gross profit
SEK m



Gross margin

31%

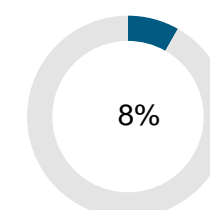
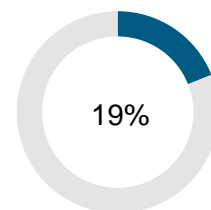
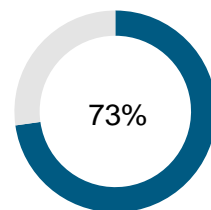
38%

62%

57%

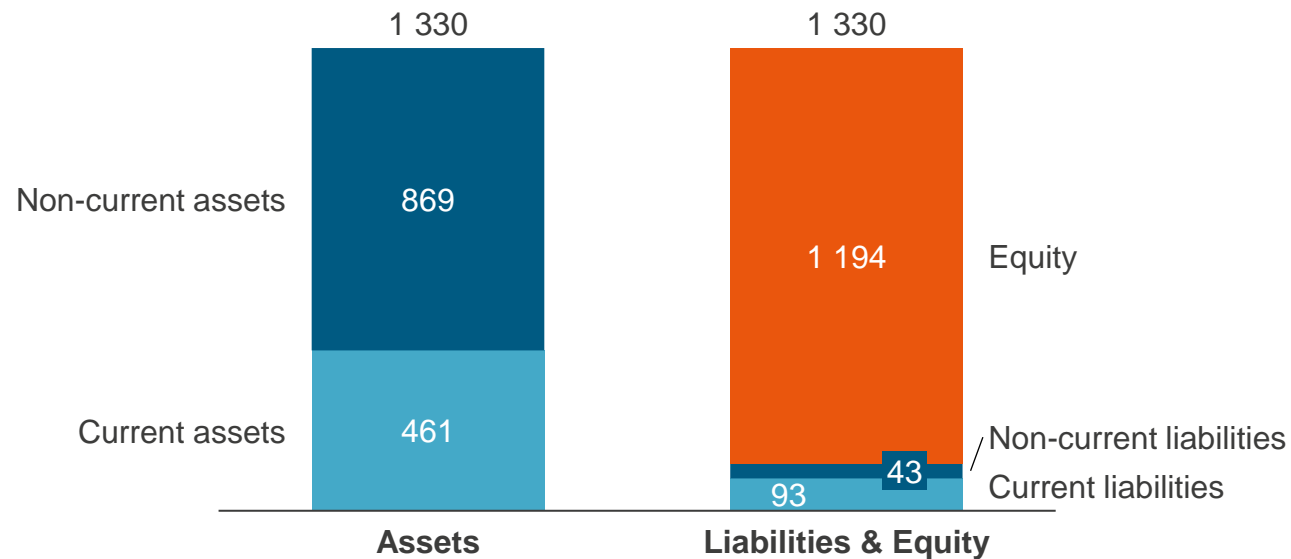
57%

56%



Solid balance sheet with no external loans

Balance sheet as per March 31, 2021
SEK m



Key aspects

- Total equity of SEK 1 194 m
- No external loans
- Equity ratio 90%





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Thank you!

