

Q1 2019 Conference Call

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Agenda

1	Executive overview
2	Financial review
3	Outlook
4	Q&A

Revenue growth and strong cash flow in first quarter

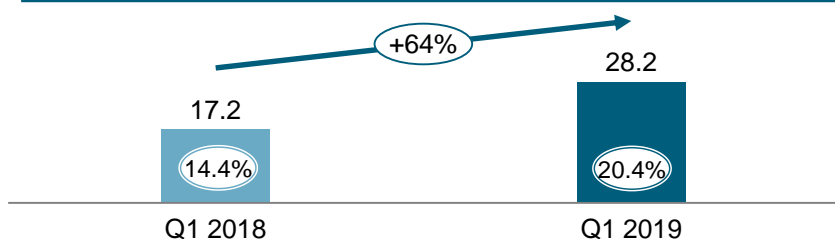
Net sales

MSEK, sales growth in % (constant currency growth)



EBITDA

MSEK, EBITDA margin as % of Group net sales



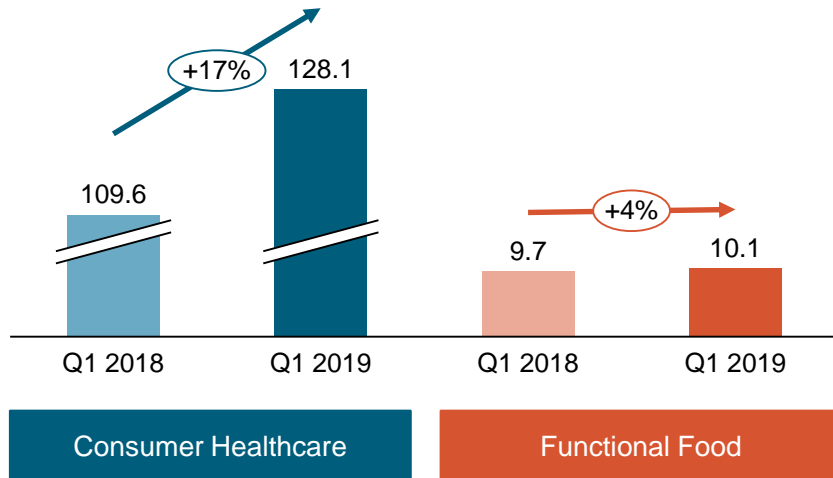
Key developments in the quarter

- First-quarter net sales rose to MSEK 138, up 16%, or MSEK 19 compared to Q1 2018
- EBITDA increased by MSEK 11, up 64% compared to Q1 2018
- Early repayment of a bank loan totalling MSEK 60 reflecting strength of Probi's balance sheet and cash flow
- Ongoing launches of Probi[®] Osteo, for the prevention of bone loss in postmenopausal women. Strong customer interest and several customer launches planned in 2019

Consumer Healthcare growth in EMEA and US

Net sales by segments

MSEK, sales growth in %



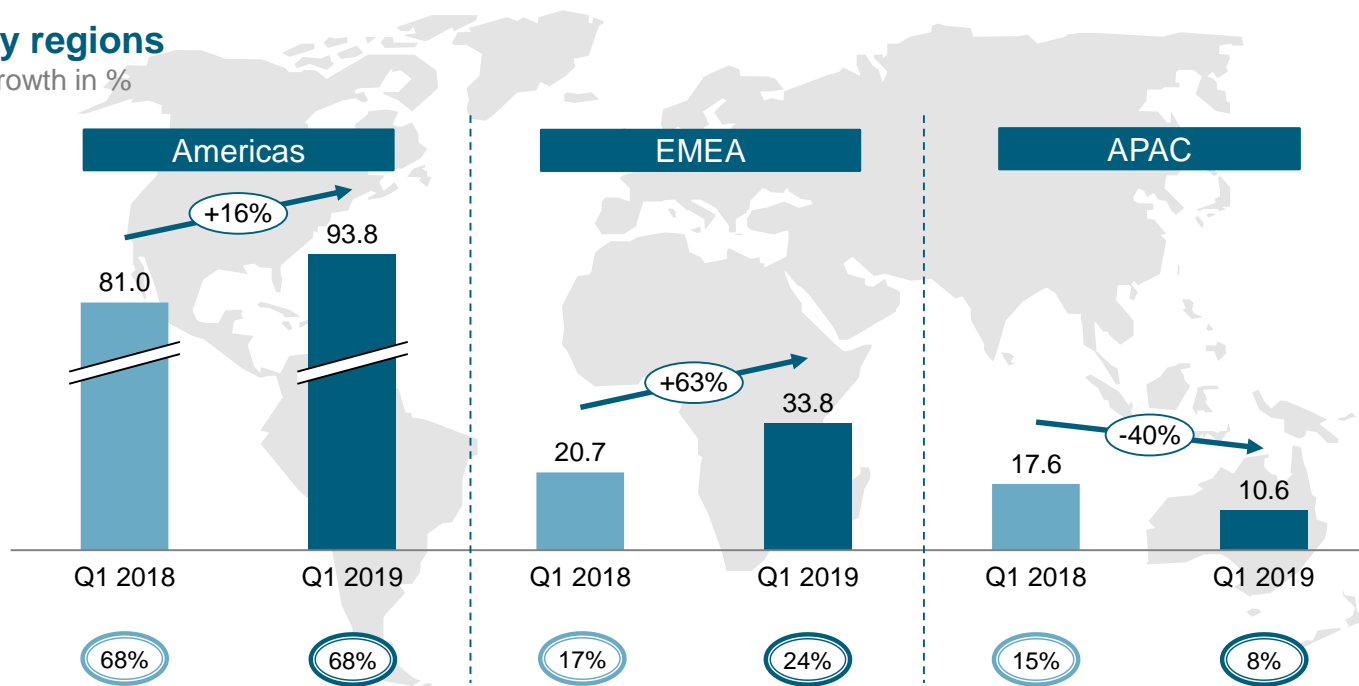
Key aspects

- The increase in Consumer Healthcare was attributable to strong performance in EMEA and the normalisation of a major customer's order pattern
- Functional Food continues to deliver stable growth driven by new initiatives in the APAC region and sales growth in the Americas

Americas and EMEA growing, APAC affected by delayed customer launches

Net sales by regions

MSEK, sales growth in %



% of Group net sales

Q1 2019 - Highlights

- New products to both new and existing customers launched in US.
- Customer launches of Probi® Osteo planned for all regions (Americas, EMEA and APAC).
- Presentation of the Probi® Osteo concept at Probiota in Copenhagen.
- Chinese leading vitamin company launched two new probiotic products – one for women of child-bearing age based on Probi's Iron concept, and the other containing Probi® Plantarum 6595 for children.
- New licensing and distribution agreement with a customer in Australia. Launch planned for Q2 2019.
- Collaboration agreement discontinued with a global FMCG (fast-moving consumer goods).
- Clinical trial in 326 pregnant women was completed in the quarter, evaluating the efficacy of Probi FerroSorb® on iron status during pregnancy.
- Joint skincare project with Symrise AG launched at In-Cosmetics Global, Paris. Post quarter received BSB Innovation Award in 'Best Active Ingredient' category.

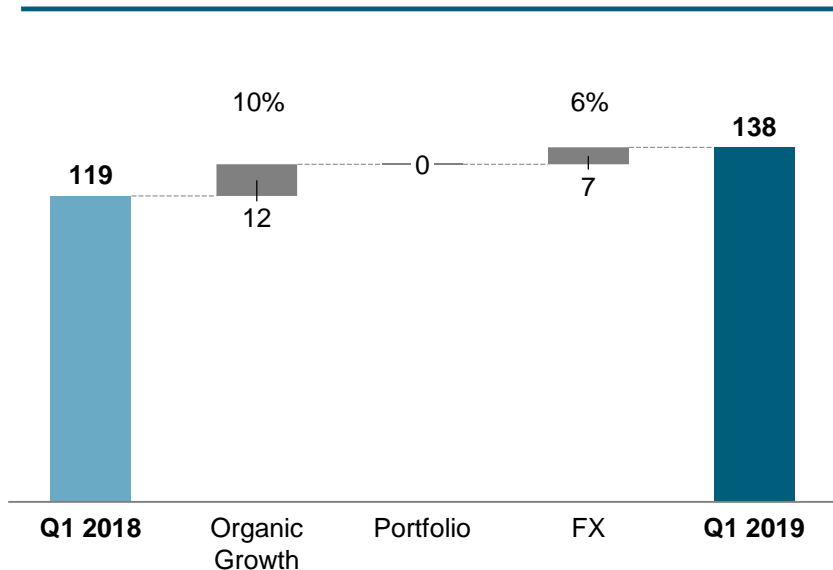
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Increased sales revenue and improved EBITDA margin

Probi sales bridge

MSEK, change in %



Condensed P&L

MSEK, change in %

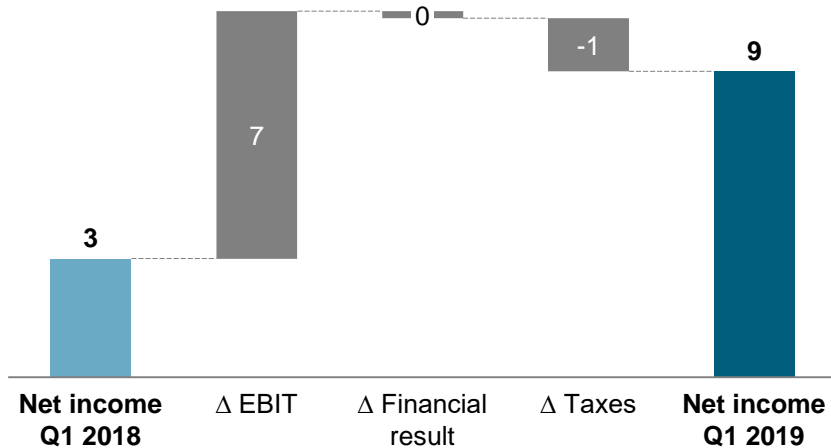
	Q1 2019	Q1 2018	Change
Net sales	138.2	119.2	▲ 16%
EBITDA ¹	28.2	17.2	▲ 64%
EBITDA margin	20.4%	14.4%	▲ 6.0pps
EBIT	11.3	4.4	▲ 157%
Net income	8.5	3.3	▲ 159%
EPS	0.75	0.29	▲ 159%

¹ Positive impact on EBITDA by 3.6 MSEK in Q1 2019 due to IFRS 16 (financial leasing)

Improved net income in Q1

Reconciliation of net income

MSEK



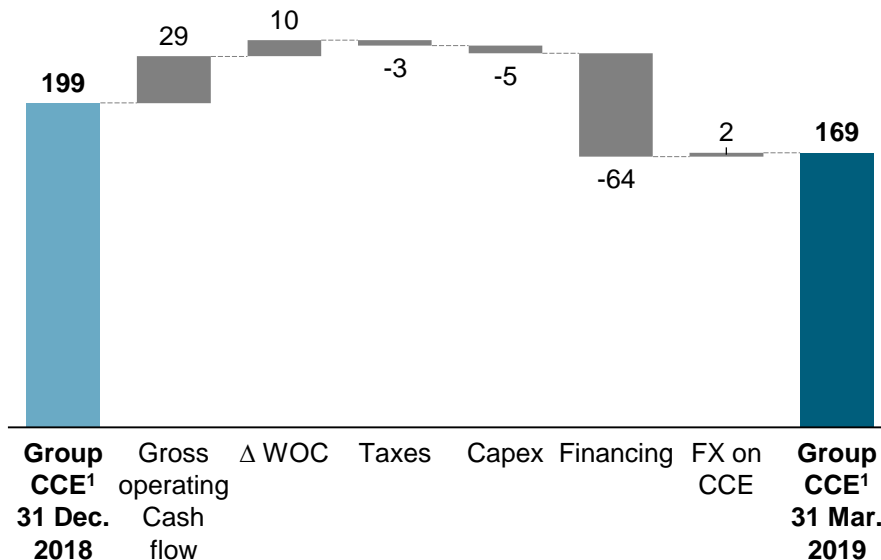
Key aspects

- EBIT positively affected by revenue growth
- Increased taxes as a result of improved EBIT
- Net income increased by MSEK 6 compared to the previous year

Maintained strong cash flow

Reconciliation of group liquidity Q1 2019

MSEK



Key aspects

- Gross operating cash flow of MSEK 29 reflects robust business model
- Favourable working capital supports the cash generation in the quarter
- Excess group liquidity used for partial early redemption of bank borrowings. Total redemption amounts to MSEK 60

Strong balance sheet and increased net cash position

Balance sheet Probi Group

MSEK, in % of total assets

Assets	31 Mar 2019	31 Dec 2018	Liabilities and equity	31 Mar 2019	31 Dec 2018
Intangibles (excl. GW)	500	494	Total equity	1,070	1,028
Goodwill	315	305			
PPE	101	29	Other non-current liabil.	60	7
Deferred tax assets	4	2	Non-current liabilities	60	7
Non-current assets	919	829	Borrowings	59	118
Inventories	69	69	Trade payables	32	31
Trade receivables	102	106	Other current liabilities	45	24
Other current assets	6	6	Current liabilities	136	174
Cash and cash equiv.	169	199	Total liabilities	196	181
Current assets	347	380			
Total assets	1,266	1,209	Liabilities and equity	1,266	1,209

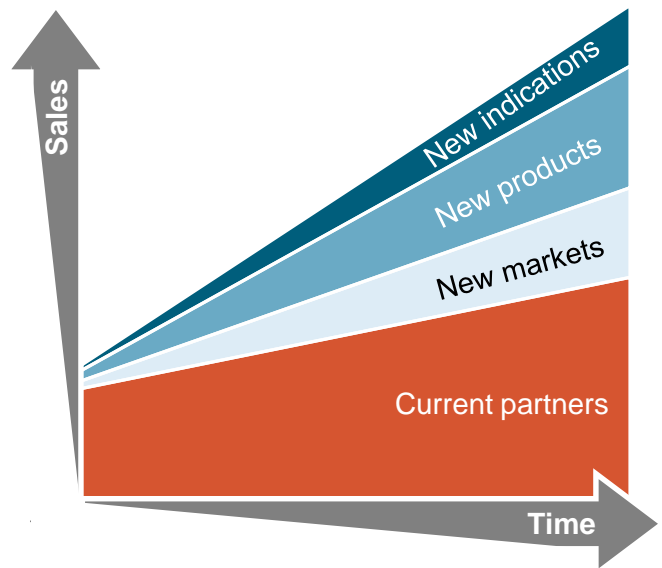
Key aspects

- Net cash flow MSEK -30 after an early redemption of bank borrowings of MSEK 60
- PPE increased by MSEK 72 due to implementation of IFRS16 (financial leasing)
- Total equity of MSEK 1,070
- Equity ratio 85%

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Probi – well positioned for growth



- Probiotics remain one of the fastest growing supplements globally
- Stronger than ever commercial presence in U.S. and expanding team in APAC region
- Growth opportunities in both existing portfolio as well as newly launched product concepts
- Increased investments in Research & Development for continued leadership in innovation and clinical excellence
- Program to enhance production capacity for quality and efficiency improvements
- Evaluating strategic partnerships to accelerate growth opportunities
- Normalization of order flow in major account provides stability in Probi base business

Q&A

Financial calendar

2018 Annual General Meeting	7 May 2019
Interim report Q2, 2019	19 Jul 2019
Interim report Q3, 2019	25 Oct 2019
Year-end report, 2019	11 Feb 2020