

Probi AB

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Agenda

1	Introduction
2	Company presentation
3	Half-year update
4	Outlook
5	Q & A

Probi – “First in probiotics”



Founded 1991



420 patents



40 markets



626 MSEK Net Sales
183 MSEK EBITDA



170 employees



4 bn SEK Market Cap



Trends driving future probiotics markets



Scientific progress leading to new applications



Higher proportion of older people



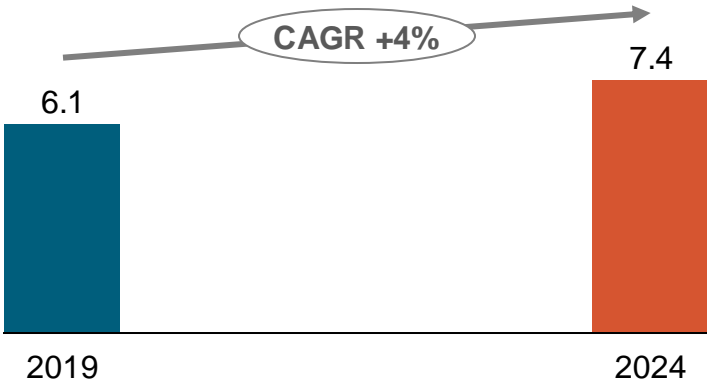
Higher living standards and interest in probiotics in new countries



E-commerce growth



Probiotics - Supplements
Expected global growth 2019-2024
(USD bn consumer value)*



* Source: Global Probiotics Market Insights – Euromonitor December 2019



Probi AB

One of the leading probiotic
companies in the world



Probi offering



PROBI DEFENDUM®
Secure a balanced immune system.

PROBI FERROSORB®
Iron absorption concept proven to increase iron uptake.

PROBI DIGESTIS®
Proven to support gastro intestinal health.

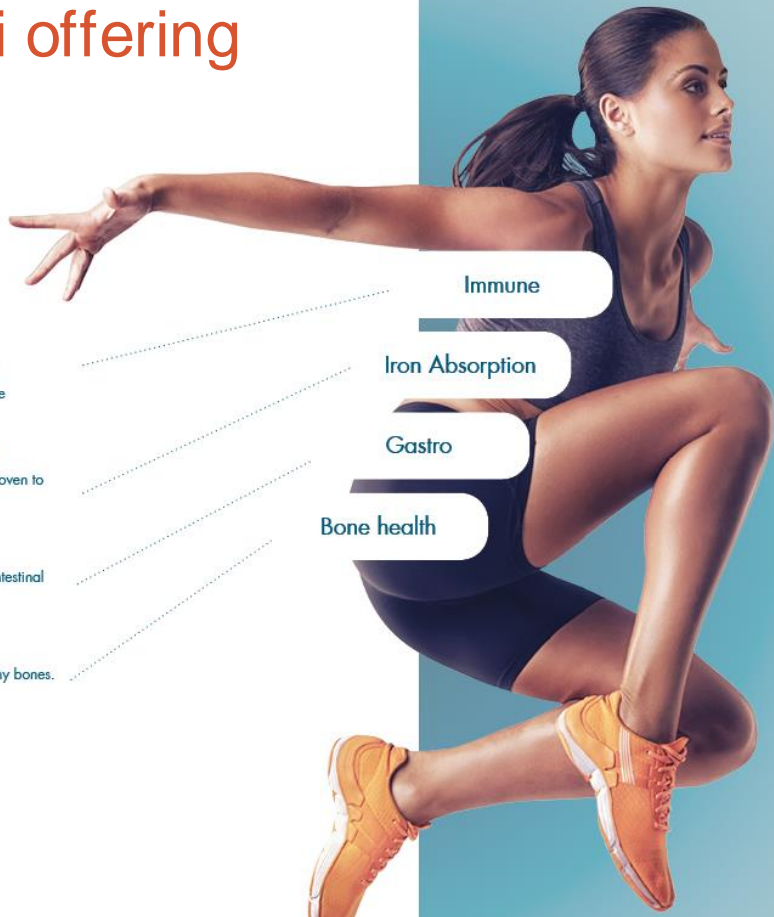
PROBI® OSTEO
Maintain strong and healthy bones.

Immune

Iron Absorption

Gastro

Bone health



Probi® Rhamnosus 6594

Probi® Paracasei 13434

Probi® Plantarum 6595

Probi® LB21



Wide range of live and active cultures.

Lifestage Solutions



Infant



Kids



Adult



Senior



Women



Active

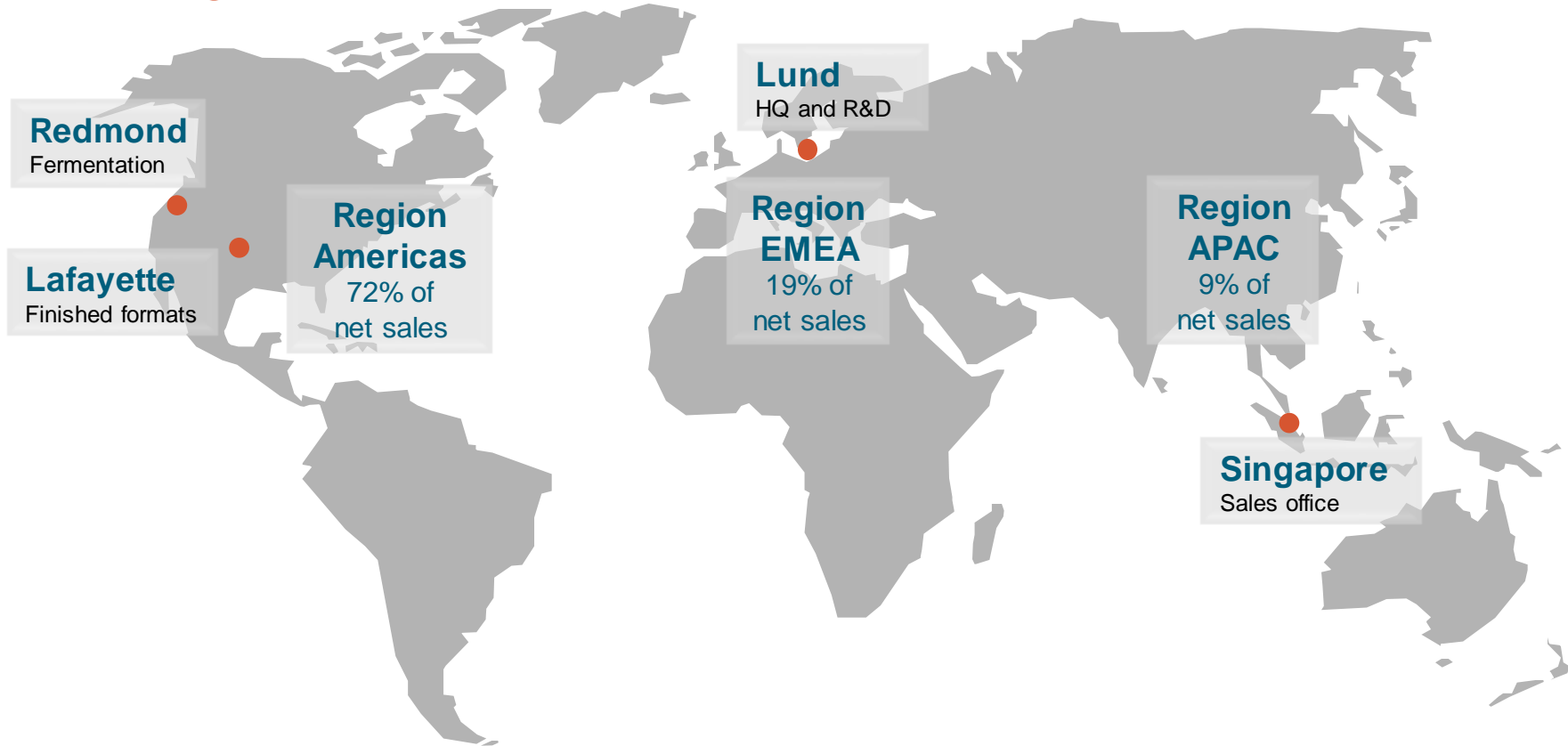


Restore



Pregnancy

Probi global footprint



Probi – a scientific pioneer in probiotics

>100

**Clinical trials have
been carried out**

>270

**Scientific
Publications**

>420

Granted Patents



Half-year update

Probi – first six months in 2020

- Strong underlying demand for probiotics
- Strategic Joint Venture with US-based Viva5 Corporation
- Strengthened partnership with one of our largest American customers
- Pan-European partner agreement with launch in 15 European countries from 2021
- Manufacturing facility upgrade program on schedule
- Updated financial targets



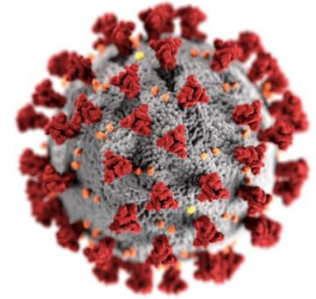
Impact on Probi by Covid-19 pandemic

Market reactions

- Increased demand for immune supporting products
- Heightened focus on personal health supports demand in US market
- Growth in e-commerce channel

Business impact on Probi

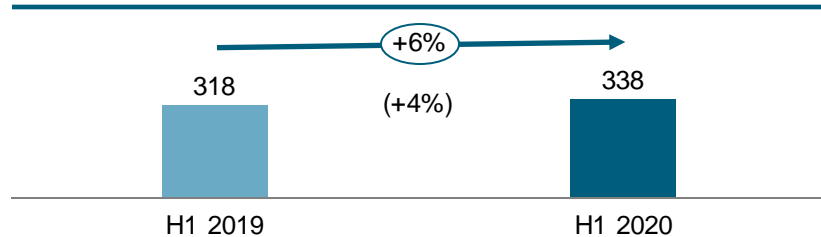
- Limited Covid-19 related cost increases
- Maintaining full operational status at manufacturing facilities
- Societal lock-downs resulted in customer stock building in EMEA and APAC



H1 2020 - Healthy growth in Net Sales

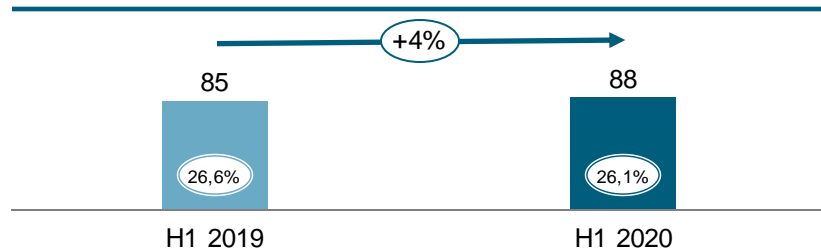
Net sales

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



EBITDA

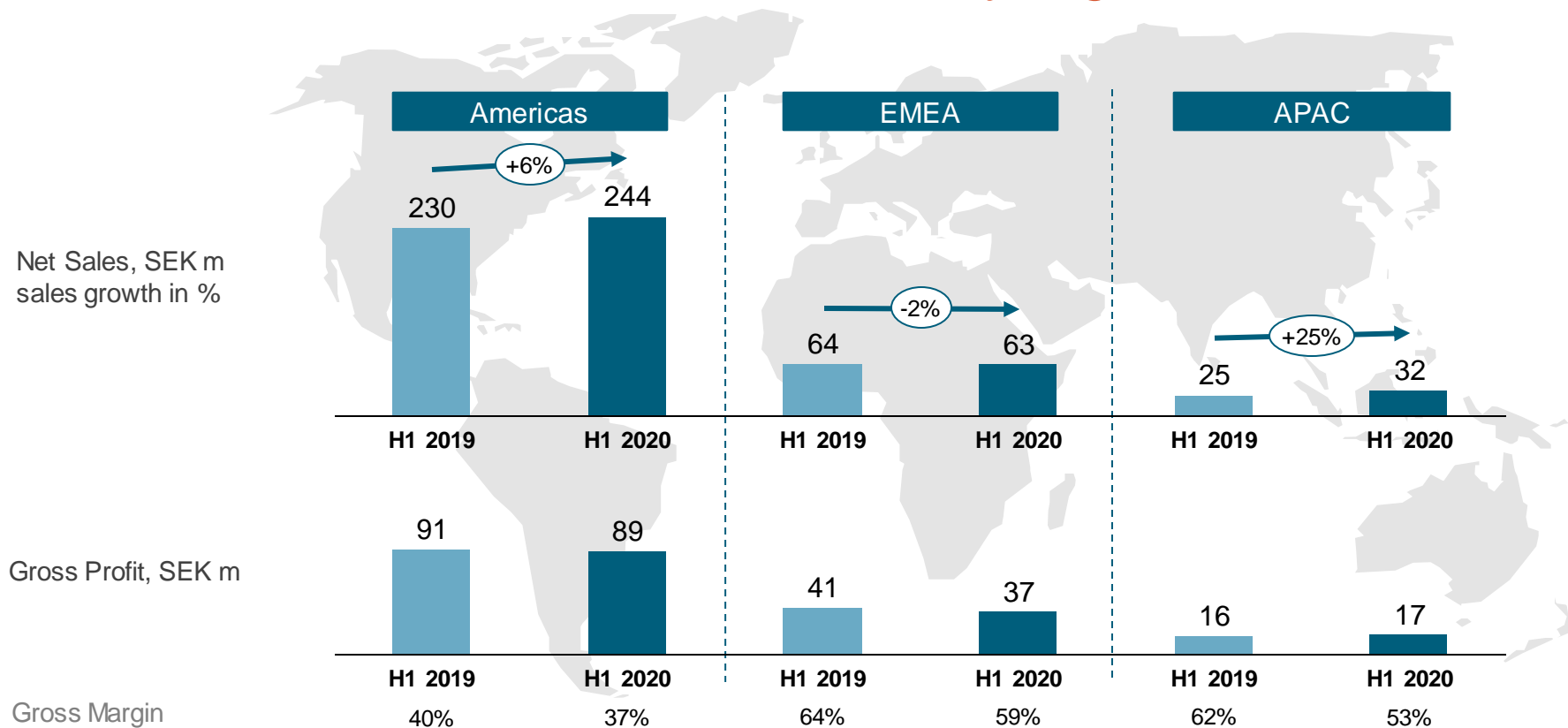
SEK m, EBITDA margin as % of Group net sales



Highlights in the period

- Net sales +6% compared to H1 2019
- Strong underlying demand for probiotics in region Americas
- Product mix and temporary disruptions in production had negative impact on gross margin
- Reduced operational expenses lifting EBITDA-margin to 26%
- Expecting higher volatility in sales revenues coming quarters by Covid-19 effects and large US customer update of product range

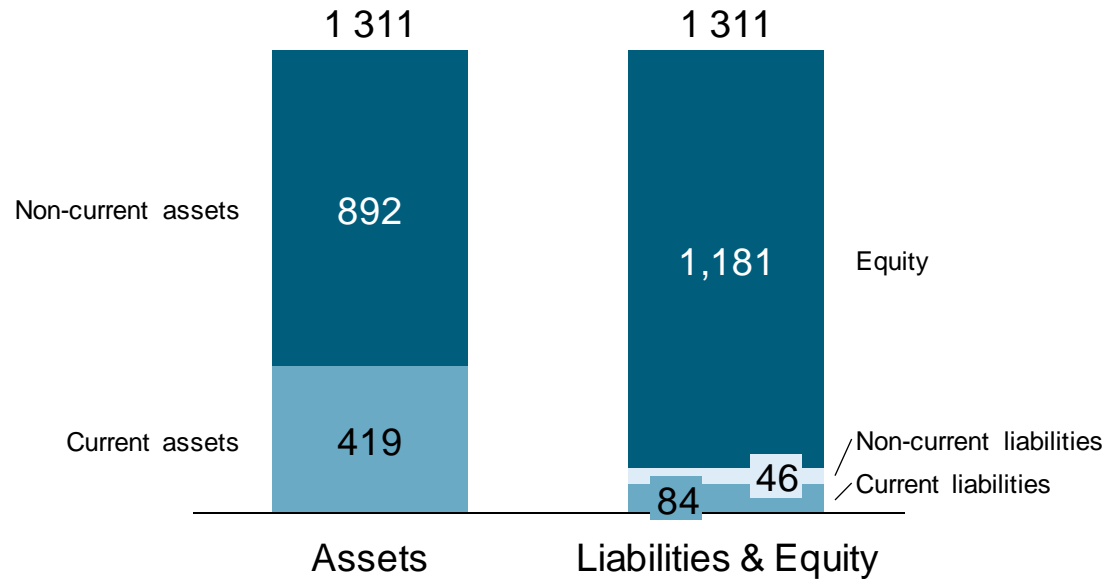
H1 2020 - Net Sales and Gross Profit by region



Solid balance sheet with no external loans

Balance sheet Probi Group as per June 30, 2020

SEK m



Key aspects

- Total equity of SEK 1 181 m
- No external loans
- Equity ratio 90%

Outlook

We will double in size and increase profitability



Doubled sales



Lead the way in probiotic innovation and science



Manufacturing excellence



Growth



Accelerate development of new products



More efficient manufacturing

- Stronger presence in growth markets
- Solidify position in premium probiotic segments
- Strategic partnerships
- Acquisitions

- Expand range of clinically documented offerings
- Increase international collaborations
- Evaluate growth potential in probiotic related market segments

- High quality production adapted to market needs
- New manufacturing capabilities in growth regions
- Gradually improved gross margins

Thank you
&
Q & A