

Q3 2019 Conference Call

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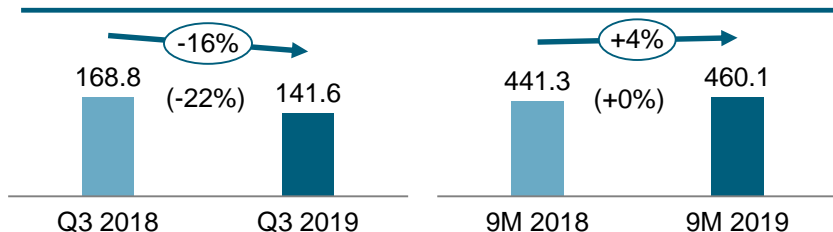
Agenda

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

Manufacturing upgrade program initiated during the quarter

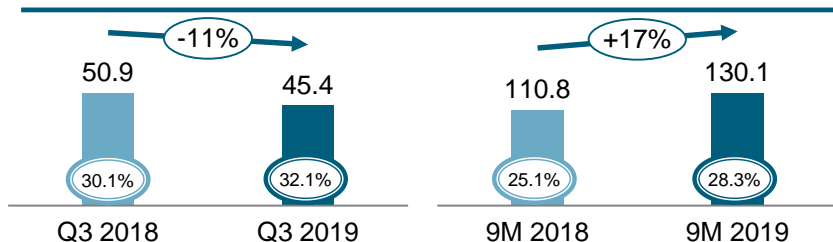
Net sales

MSEK, sales growth in % (constant currency growth)



EBITDA¹

MSEK, EBITDA margin as % of Group net sales



¹ Positive impact on EBITDA by MSEK 3.6 in Q3 and 10.9 in 9M 2019 due to IFRS 16 (leasing)

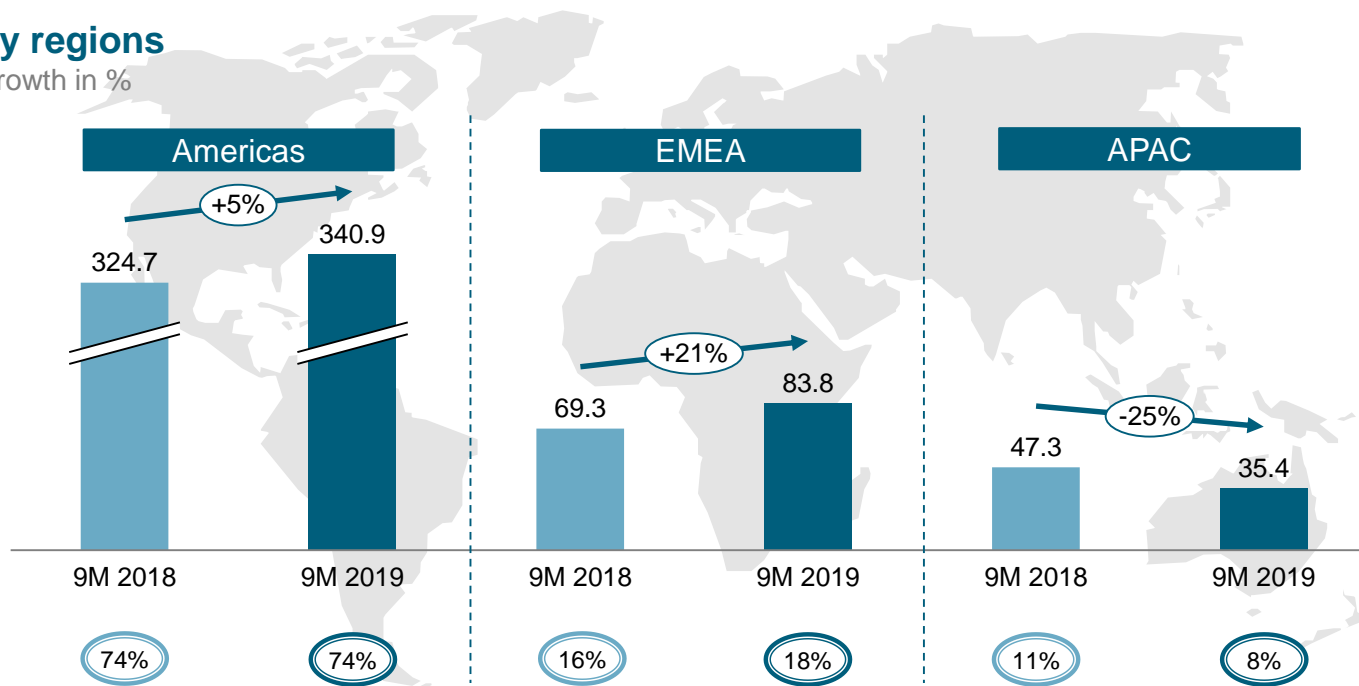
Key developments in the quarter

- Third-quarter net amounted to MSEK 142, down 16% compared to Q3 2018 (FX adjusted down 22%)
- EBITDA decreased by MSEK 5, down 11% compared to Q3 2018
- Upgrade program of manufacturing unit in Redmond USA initiated
- New product launches of Probi[®] Osteo in the North American market in a plant-based drink and Probi[®] Osteo and Probi FerroSorb[®] in Australia
- Early repayment of a bank loan totalling MSEK 20 based on strong cash-flow. All bank loans are now repaid.

Geographic market dynamics

Net sales by regions

MSEK, sales growth in %

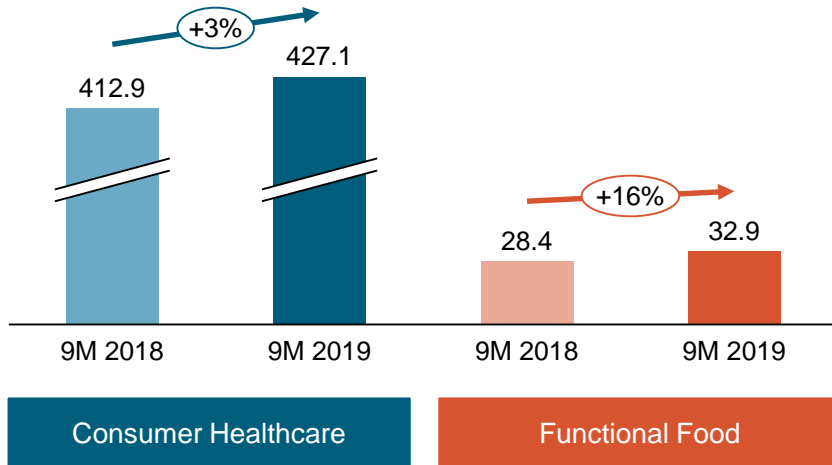


% of Group net sales

YTD Consumer Healthcare growth affected by slower US market

Net sales by segments

MSEK, sales growth in %

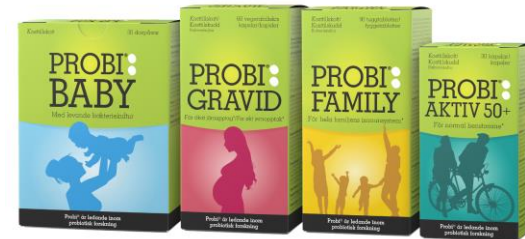


Key aspects

- Consumer Healthcare, Probi's largest business segment shows flat currency adjusted growth YTD
- Several new launches under implementation – impact in sales expected over time
- Functional Food positively affected by non-recurring income
- New projects in Functional Food in launch planning

Q3 2019 – Highlights: US Launch of Probi Osteo in beverage

- US-launch of premium probiotic concept Probi® Osteo for improved bone health in unique, flavored oat-based drink with no added sugar.
- Launch of Probi® Osteo and FerroSorb® with Australian partner focused on the pharmacy channel across 1,000 outlets.
- Probi's newly launched product range perform well in Swedish pharmacies. Nordic expansion of product range next steps.



Q3 2019 – Highlights

Manufacturing upgrade

- Manufacturing upgrade project initiated in the US - new equipment for increased manufacturing efficiency
- Program targeting long term gross margin improvements and further strengthened competitiveness



Publication of Celiac Disease study

- Publication of clinical research results in 78 children genetically predisposed for gluten intolerance (Celiac Disease)
- Results from the randomized, double-blind, placebo-controlled study showed that Probi probiotic concept have a suppressing effect on celiac autoimmunity and may delay onset of the disease



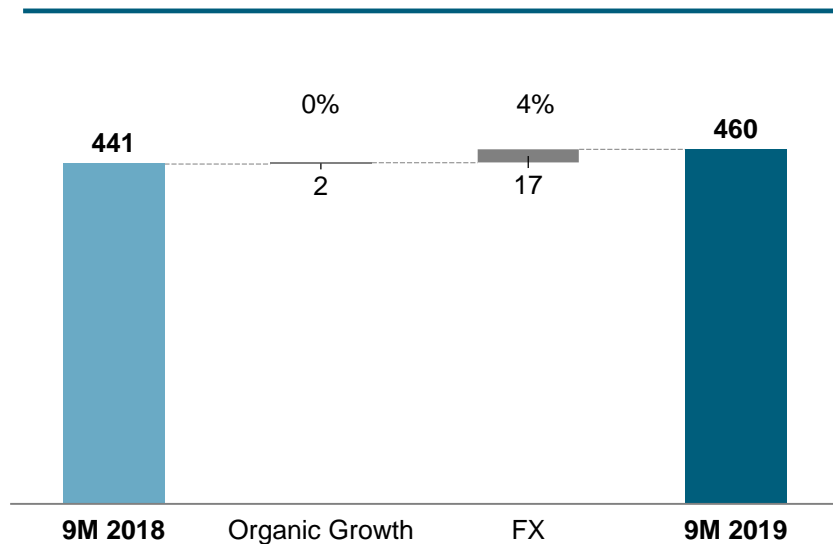
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Increased sales revenue due to FX but improved EBITDA margin

Probi sales bridge

MSEK, change in %



Condensed P&L

MSEK, change in %

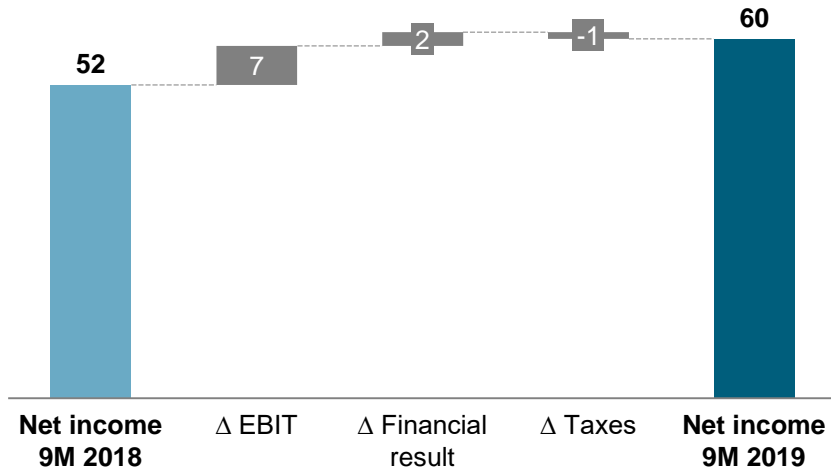
	M9 2019	M9 2018	Change
Net sales	460.1	441.3	▲ 4%
EBITDA ¹	130.1	110.8	▲ 18%
EBITDA margin	28.3%	25.1%	▲ 3.2pps
EBIT	77.1	70.5	▲ 9%
Net income	60.0	52.4	▲ 15%
EPS	5.27	4.60	▲ 15%

¹ Positive impact on EBITDA by MSEK 10.9 in M9 2019 due to IFRS 16 (leasing)

Increased Net income due to improved operational result

Reconciliation of net income

MSEK



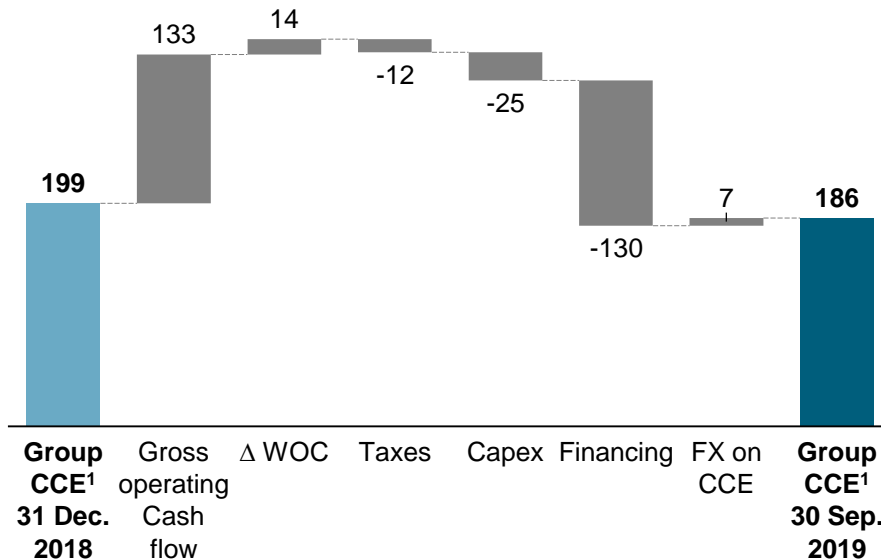
Key aspects

- EBIT increase driven by revenue growth
- Improved financial result due to repaid bank loans
- Increased taxes as a result of improved EBIT
- Net income increased by MSEK 8 compared to same period previous year

Strong cash flow enables early redemption of bank borrowings

Reconciliation of group liquidity

MSEK



Key aspects

- Gross operating cash flow of MSEK 133 reflects robust business model
- Favourable working capital effect mainly due to decreased Trade receivables
- Capex mainly related to upgrade program in Redmond, USA
- Excess group liquidity used for early redemption of bank borrowings. Total redemption amounts to MSEK 119
- Maintained flexible financing

Strong balance sheet with no remaining bank debts

Balance sheet Probi Group

MSEK, in % of total assets

Assets	30 Sep 2019	31 Dec 2018	Liabilities and equity	30 Sep 2019	31 Dec 2018
Intangibles (excl. GW)	505	494	Total equity	1,175	1,028
Goodwill	333	305			
PPE	110	29	Other non-current liabil.	57	7
Deferred tax assets	6	2	Non-current liabilities	57	7
Non-current assets	954	829	Borrowings	0	118
Inventories	82	69	Trade payables	29	31
Trade receivables	86	106	Other current liabilities	54	24
Other current assets	7	6	Current liabilities	82	174
Cash and cash equiv.	186	199	Total liabilities	139	181
Current assets	360	380			
Total assets	1,314	1,209	Liabilities and equity	1,314	1,209

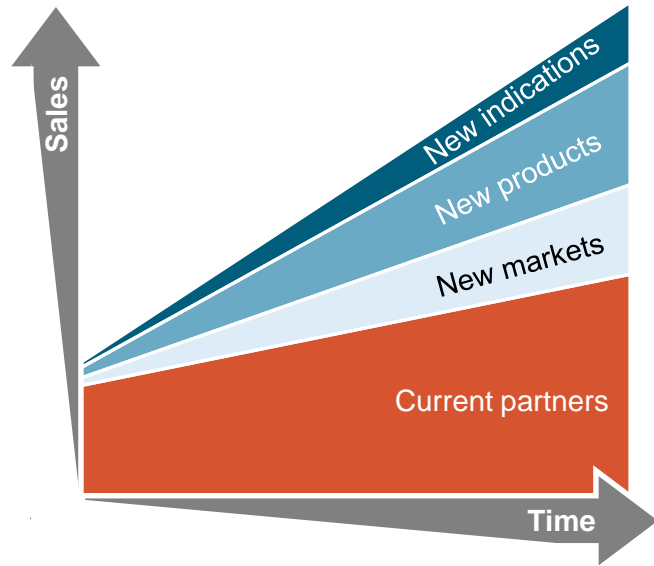
Key aspects

- Net cash flow MSEK -13 after redemption of bank borrowings of MSEK 119
- PPE increased by MSEK 67 due to implementation of IFRS16 (leasing) which also affects current and non-current liabilities
- Total equity of MSEK 1,175
- Equity ratio 89%

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Outlook



- Probiotic market remain very attractive – short and long term
- As a science-driven probiotic supplier with a broad product portfolio Probi is well positioned to deliver on growth ambitions – expecting to return to growth for full year 2020
- Strategy focused on scientifically validated offerings, geographic expansion and manufacturing excellence to drive growth
- Program and investments to enhance production capacity for quality and efficiency improvements initiated
- Strategic partnership opportunities to add growth opportunities

Q&A

Financial calendar

Year-end report, 2019	11 Feb 2020
Interim report Q1, 2020	24 Apr 2020
2019 Annual General Meeting	7 May 2020
Interim report Q2, 2020	17 Jul 2020
Interim report Q3, 2020	21 Oct 2020
Year-end report, 2020	9 Feb 2021