



Temadag - Probiotika

Erik Penser Bank

Tom Rönnlund, CEO

4:e november 2020



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Agenda

- 1 Introduction**
- 2 Probiotics market**
- 3 Our company**
- 4 Performance update**
- 5 Outlook**

Probi – "First in probiotics"



Founded 1991



420 patents



40 markets



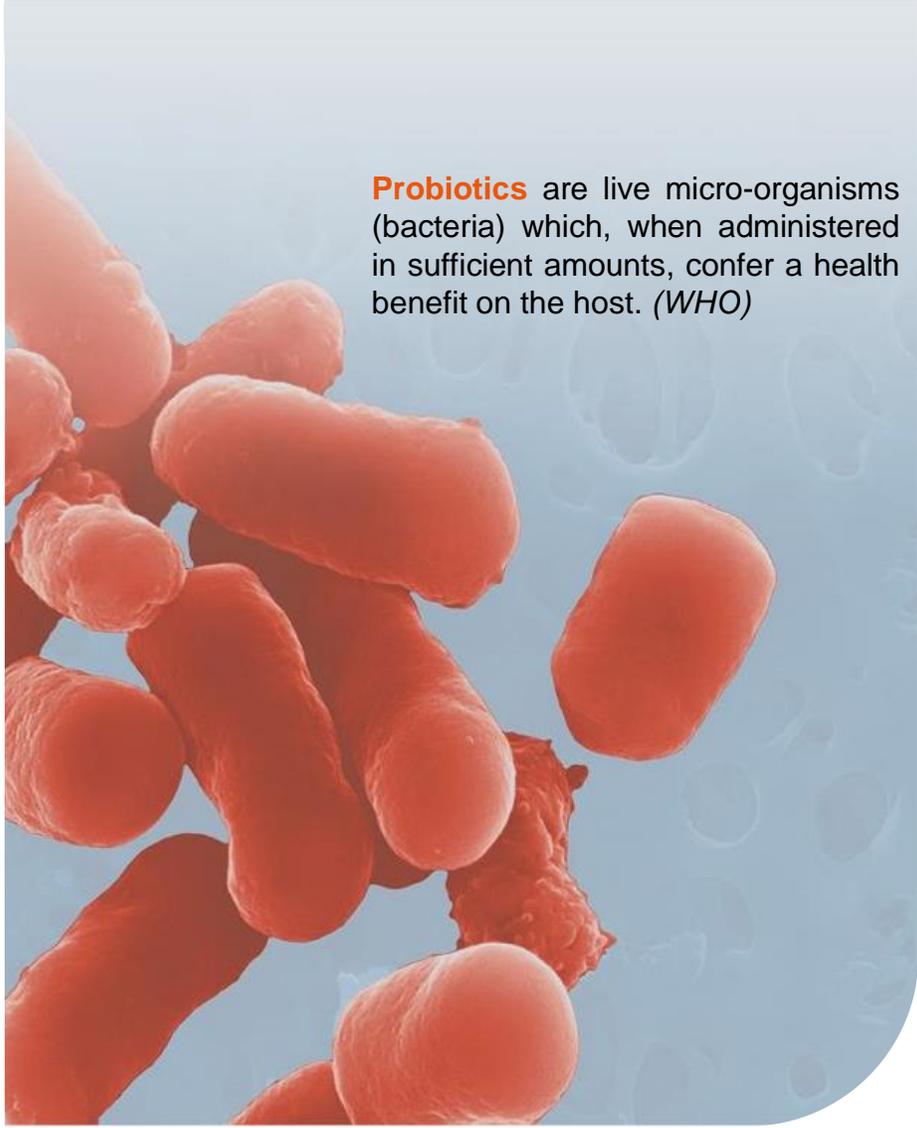
626 MSEK Net Sales
183 MSEK EBITDA



170 employees



4.500 MSEK Market Cap



Probiotics are live micro-organisms (bacteria) which, when administered in sufficient amounts, confer a health benefit on the host. (WHO)



Probiotics – A solution for better health

The efficacy of probiotics has been studied for decades.

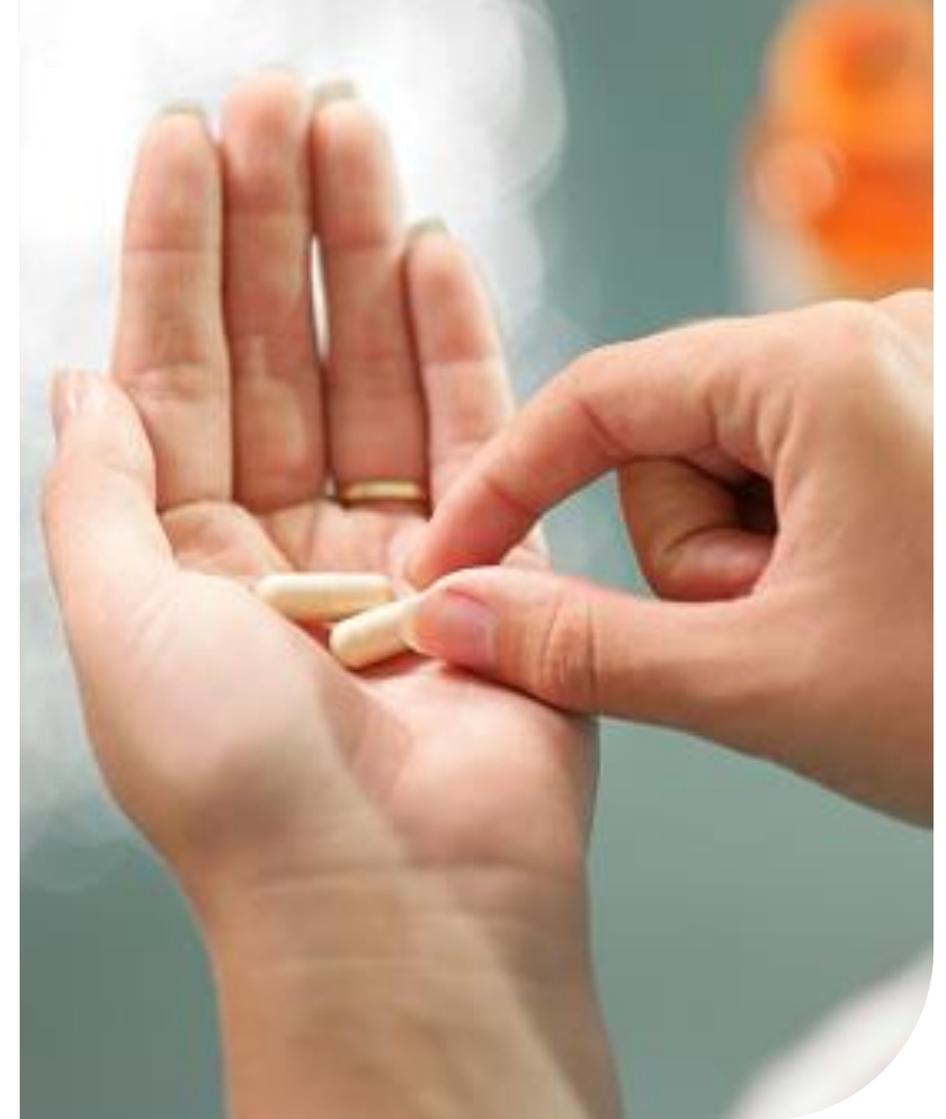
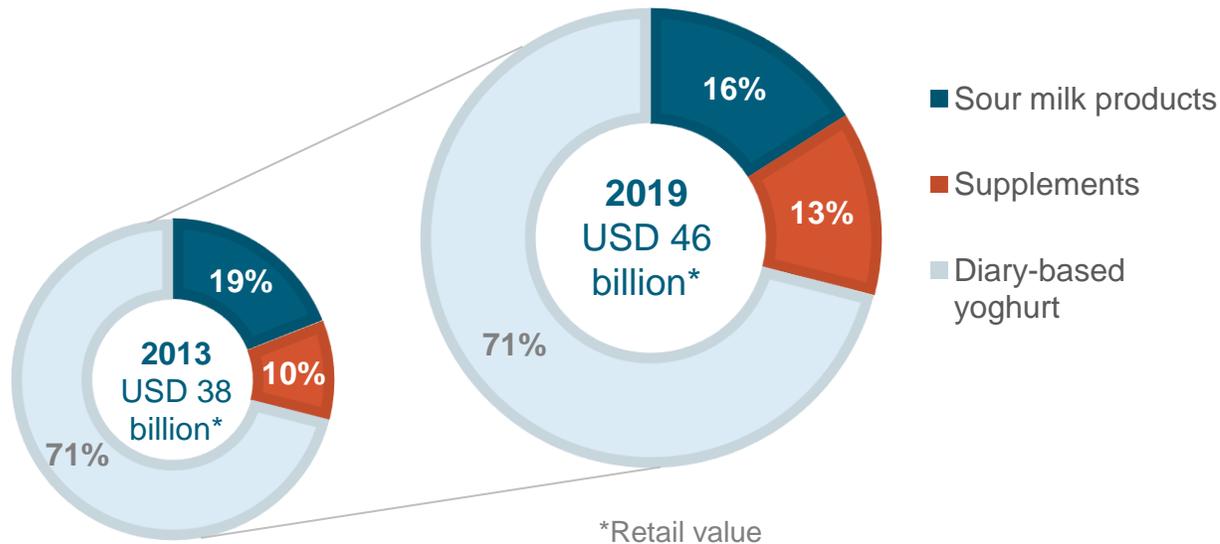
A growing body of evidence, amassed both by Probi® and by the wider scientific community has proven probiotics beneficial effects in many different health areas.



A growing demand

Consumer demand for dietary supplements and functional food displayed strong growth in the past decade

The global probiotics market was estimated at \$46 Bn in 2019 – of which probiotic supplements was \$6 Bn (CAGR +8%)¹



1. Source Euromonitor and IPA 2019

Trends driving future probiotics market

Trends impacting probiotic demand



Scientific progress leading to new applications



Higher proportion of older people



Higher living standards and interest in probiotics in new countries

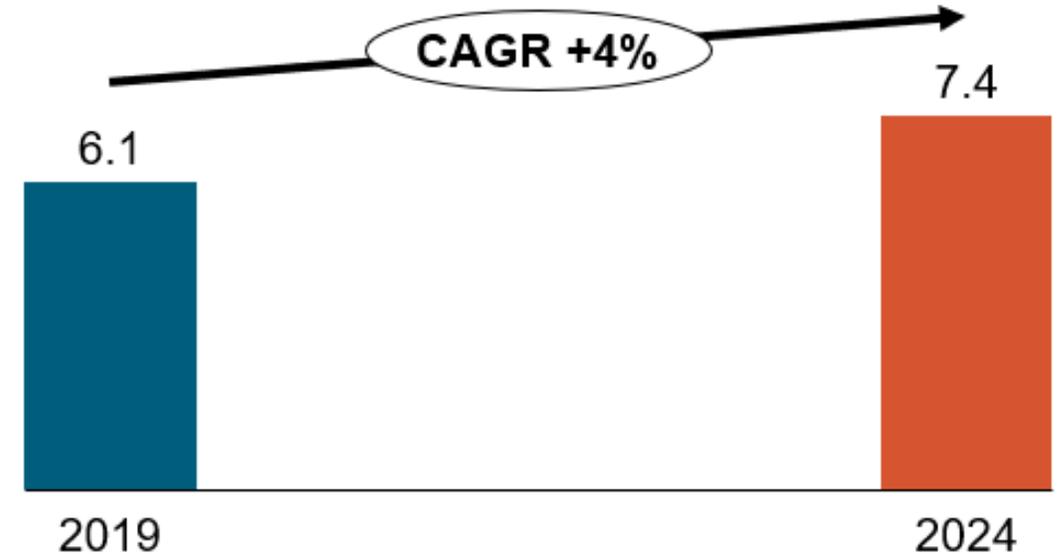


E-commerce growth



Probiotics – Supplements

Expected global growth 2019-2024
(USD bn consumer value)¹



¹ Source: Global Probiotics Market Insights – Euromonitor December 2019.

Probiotics market dynamics

AMERICAS

- Highest worldwide spending on supplements per capita
- High consumer quality awareness supports demand for premium probiotics
- Increased market demand in connection with Covid-19 pandemic – longer term effects unclear

EMEA

- Large probiotic markets showing maturing growth while others indicate strong growth potential
- No EU-wide regulatory framework for probiotics
- Functional Food relatively large share of probiotic market
- Market growth driven by supplements

APAC

- China is the dominant market and is estimated to show strongest growth moving forward
- Increasing disposable income and demand for premium probiotics
- Certain damping effects on demand related to Covid-19, likely temporary





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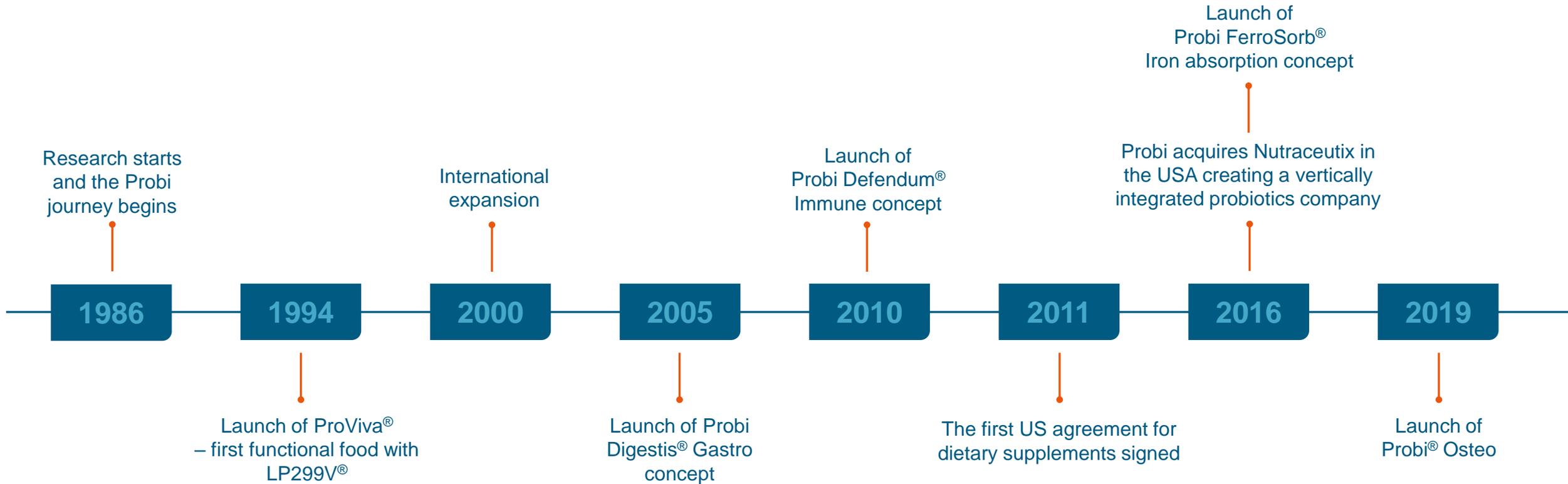
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We are probiotic pioneers

- 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

Probi step by step – milestones



From ready-to-go probiotic concepts to custom probiotic end-to-end solutions



- Wide portfolio of proven probiotic concepts in areas such as digestive and immune health
- Additional unique health positions including iron-absorption and bone health
- Solutions targeting specific consumer groups - children, women and seniors

- Regardless of our customers needs, Probi provides tailor-made end-to-end solutions enabling business success



Probiotics that meet our customers needs



Clinically proven and patented health concepts

Probi Digestis®

- supporting gastrointestinal health

Probi FerroSorb®

- increasing iron uptake

Probi Defendum®

- supporting a balanced immune system

Probi® Osteo

- maintain strong and healthy bones



Safe probiotics for use in customer applications

A selection of Probi LiveBac® strains and species:

Bifidobacterium bifidum

Bifidobacterium lactis

Lacticaseibacillus paracasei

Limosilactobacillus reuteri

Bifidobacterium infantis

Bifidobacterium longum

Lactiplantibacillus plantarum

Lacticaseibacillus rhamnosus

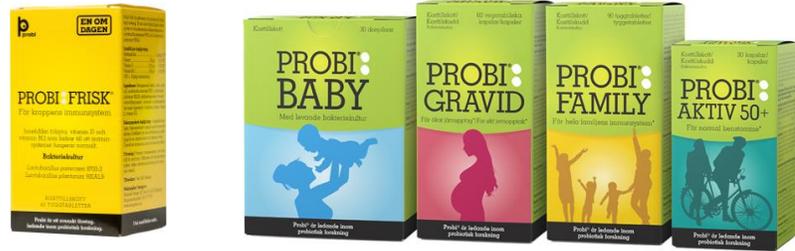


Application areas



Dietary supplements

Supplements intended to enrich the normal diet

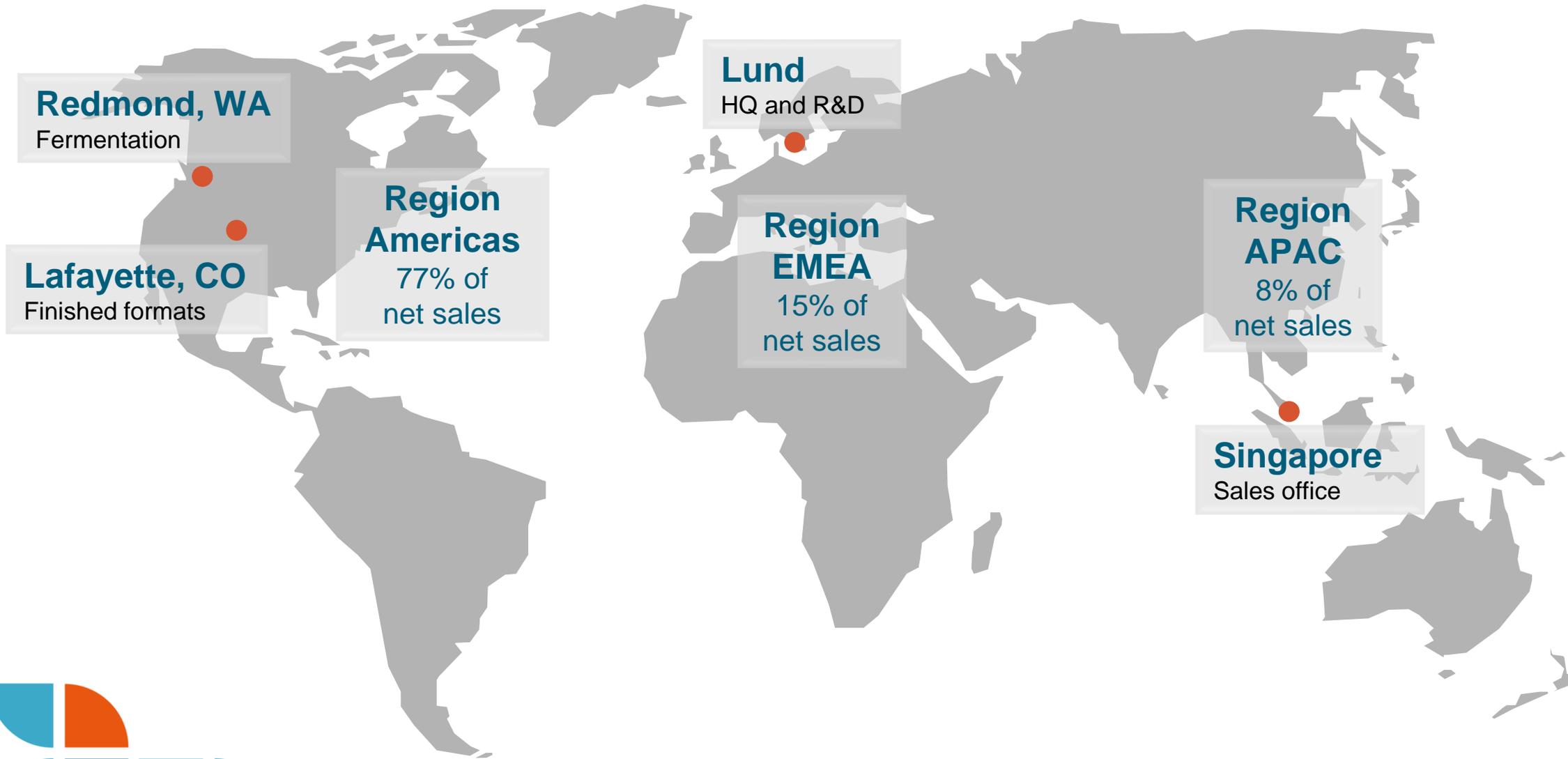


Food & beverages

Food ingredients that have positive health effects over and above the product's normal nutritional value

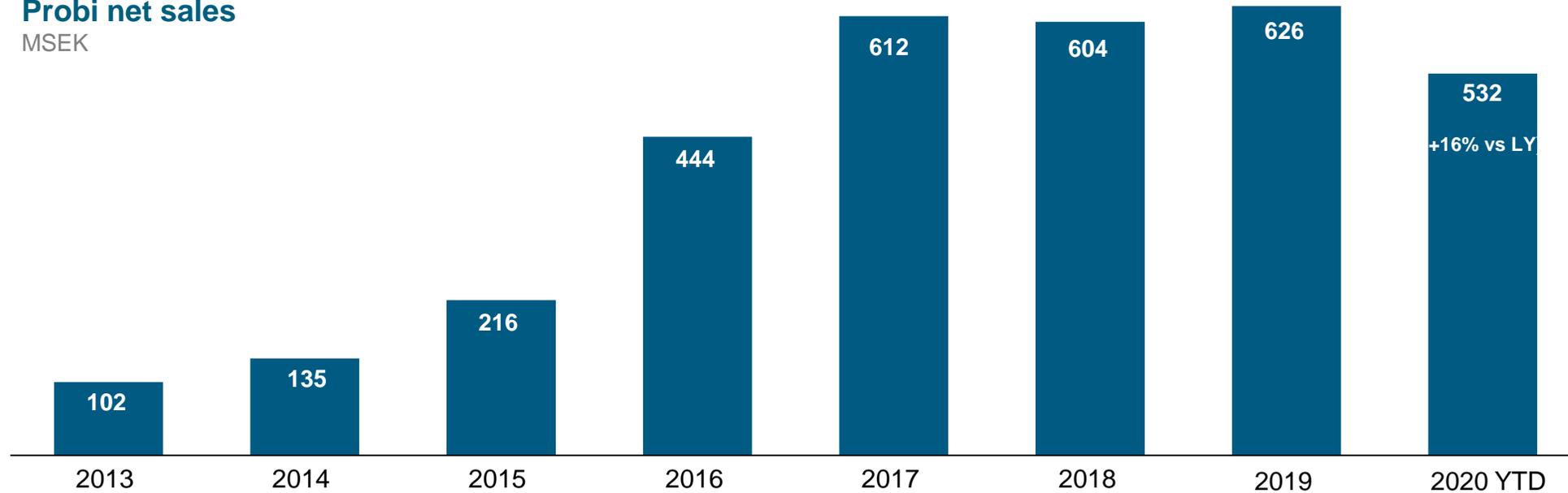


Probi global footprint



Getting back on a growth track

Probi net sales
MSEK



EBITDA
Margin (%)





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Strong development in 2020

- Generally limited impact of COVID-19 on Probi operations
- Net sales growth of +16% YTD
- EBITDA margin 28%
- Strong sales development in region Americas while weaker development in EMEA/APAC related to Covid-19 and other factors
- Manufacturing facility upgrade program well underway
- New partnerships initiated for product launches in 2021 and beyond
- Updated financial goals and dividend policy established
- New management team complete
- Strategic partnerships initiated with VivaPro and Vital Nutrients Holdings



Strong sales growth with good profitability in Q3

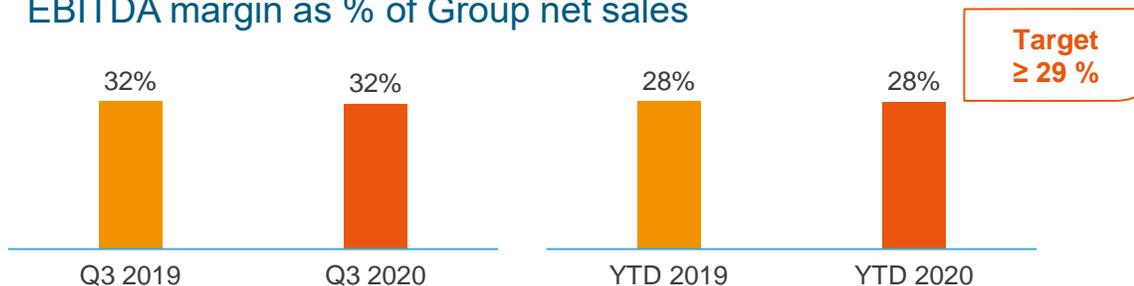
Net sales

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



EBITDA %

EBITDA margin as % of Group net sales



Highlights in the quarter

- Net sales (organic) growth by 38%
- Positive one-off effect in the quarter of SEK ~15 m from customer update program in region Americas
- Higher sales and product mix delivered good margin
- Higher OPEX in Q3 reflecting increased activity levels

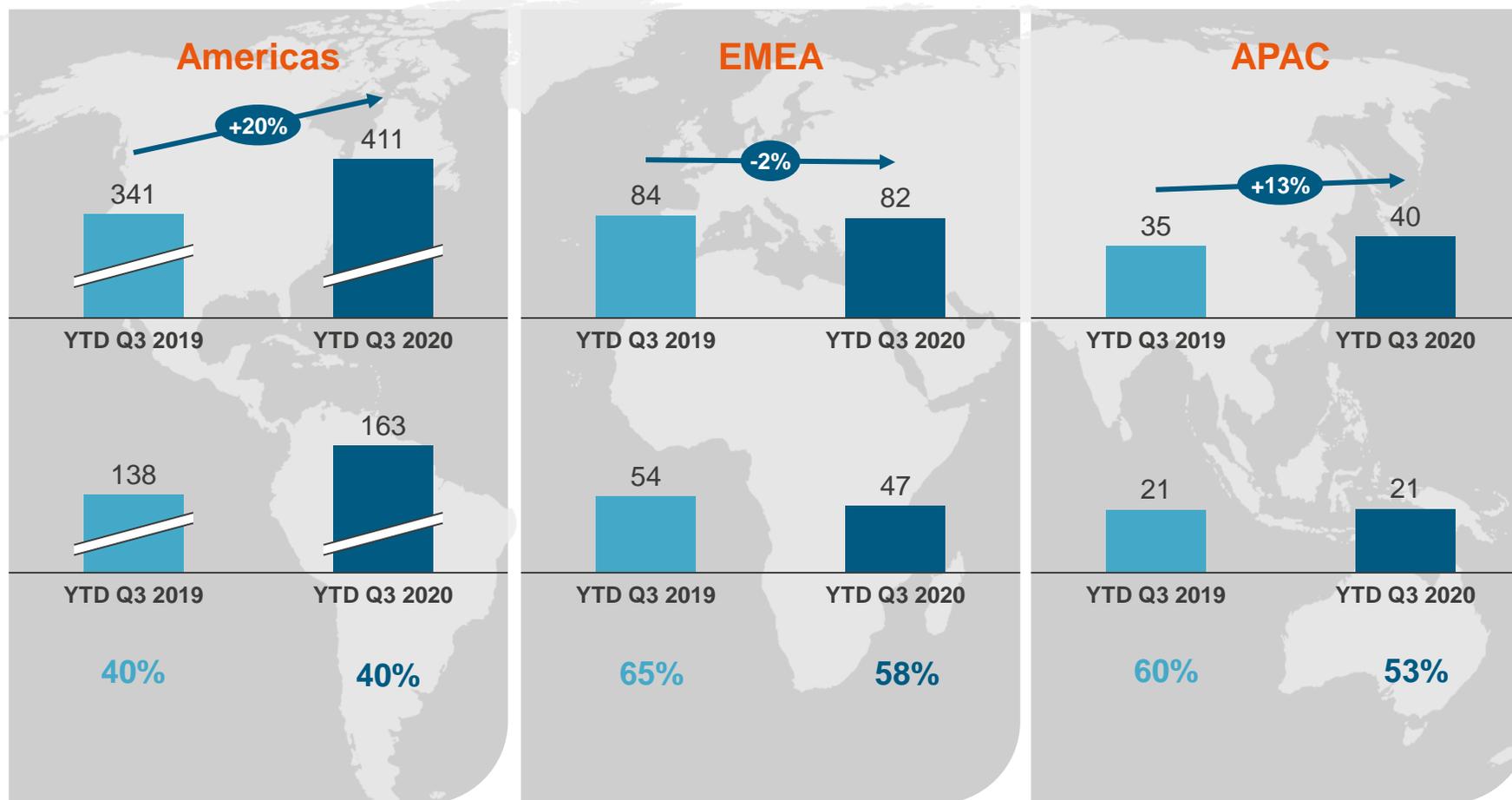


Net Sales and Gross Profit by region

Net sales
SEK m sales
growth in %

Gross profit
SEK m

Gross margin



Solid balance sheet with no external loans

Balance sheet as per September 30, 2020
SEK m



Key aspects

- Total equity of SEK 1 177 m
- No external loans
- Equity ratio 92%





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Strategic focus

Doubled sales

Growth

- Stronger presence in growth markets
- Solidify position in premium probiotic segments
- Strategic partnerships
- 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
- New manufacturing capabilities in growth regions
- Gradually improved gross margins





Q&A

Thank you for your attention!





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