



Q4 2021 Conference Call

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Agenda

1 Executive Overview

2 Financial Review

3 Outlook

4 Q&A

Strong development in EMEA, Americas affected by customer dynamics

- Net sales decreased by 8% (-9% currency adjusted) in Q4 and by -8% (-3% currency adjusted) for full year
- EMEA finishes strongly and delivers full year all-time high sales
- Americas affected by specific customer accounts with full-year impact of SEK -50 m
- EBITDA margin 32% in Q4 (25%) and 27% (27%) in for full year. Strong margin in Q4 was driven by product mix and greater volumes at production units
- The board proposes a dividend of SEK 1,30 (1,10) per share or a total of SEK 14,8 m (12,5)



Year 2021 – both challenges and strong development

- After a strong 2020 with positive pandemic effects, the U.S. market slowed in 2021. Region Americas affected by lost orders from two large customers.
- Strong development in EMEA - supported by Perrigo's pan-European launch.
- APAC showed continued growth.
- Strategic partnership with and investment in Blis Technologies. Adding ENT-health to Probi's portfolio and production opportunity.
- New important customer partnerships – Sinopharm in China and wellness launch with Oriflame.
- Production upgrade program in principle finalized leading to increased internal volumes in Q4.
- High activity level in M&A evaluations.

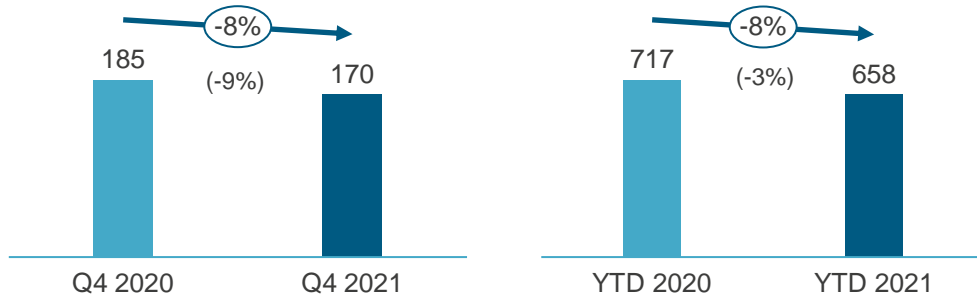


Dynamics in Americas affecting quarter and FY – strong EBITDA in Q4

Net sales

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

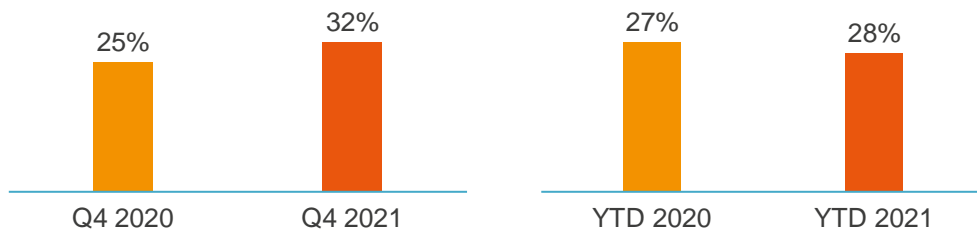
Target
> 7 %



EBITDA %

EBITDA margin as % of Net sales

Target
≥ 29 %



Highlights in the quarter

- Net sales in Q4 (currency adjusted) decline by 9%.
- Net sales 2021 (currency adjusted) decline by 3%.
- Profitability positively affected in Q4 by favorable product mix and increased volumes in own manufacturing units

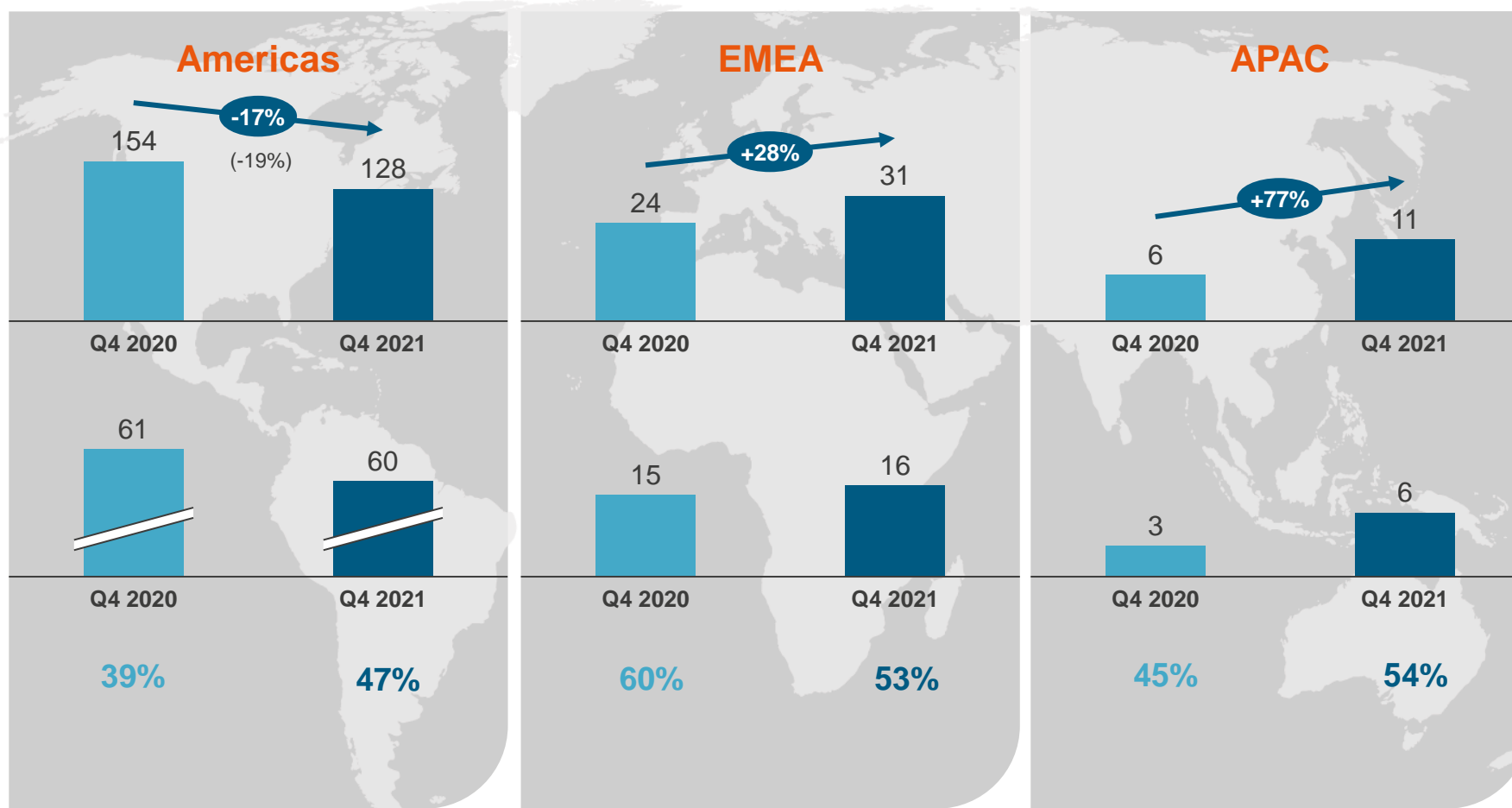


Net Sales and Gross Profit by region

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

Gross profit
SEK m

Gross margin





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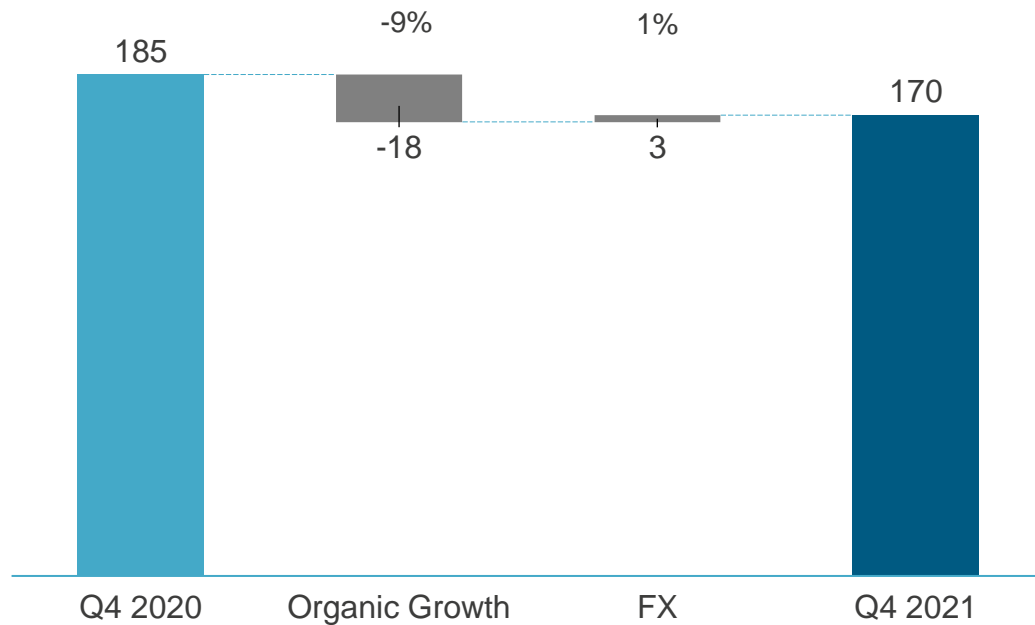
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Customer dynamics in US affecting the organic sales growth

Probi sales bridge
SEK m, sales in %



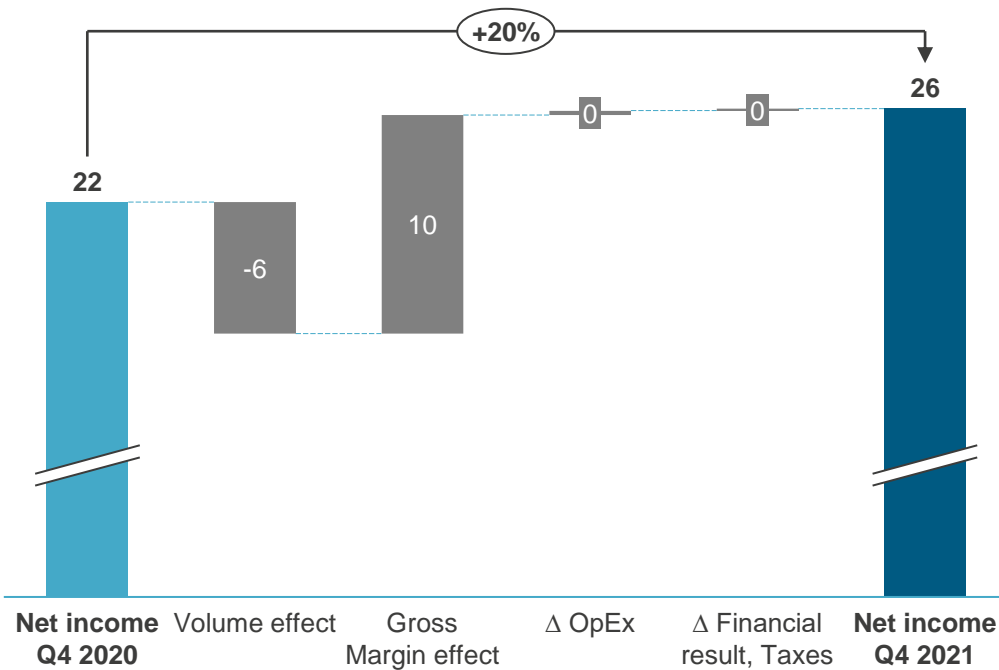
Condensed P&L
SEK m

	Q4 2021	Q4 2020	Change
Net sales	170.0	184.8	▼ -8%
EBITDA	54.1	47.0	▲ 15%
EBITDA margin	31.8%	25.5%	▲ 6.3pp
EBIT	34.1	29.8	▲ 14%
Net income	26.3	21.8	▲ 20%
EPS	2.31	1.92	▲ 20%



Net income positively affected by improved gross margins

Reconciliation of net income SEK m



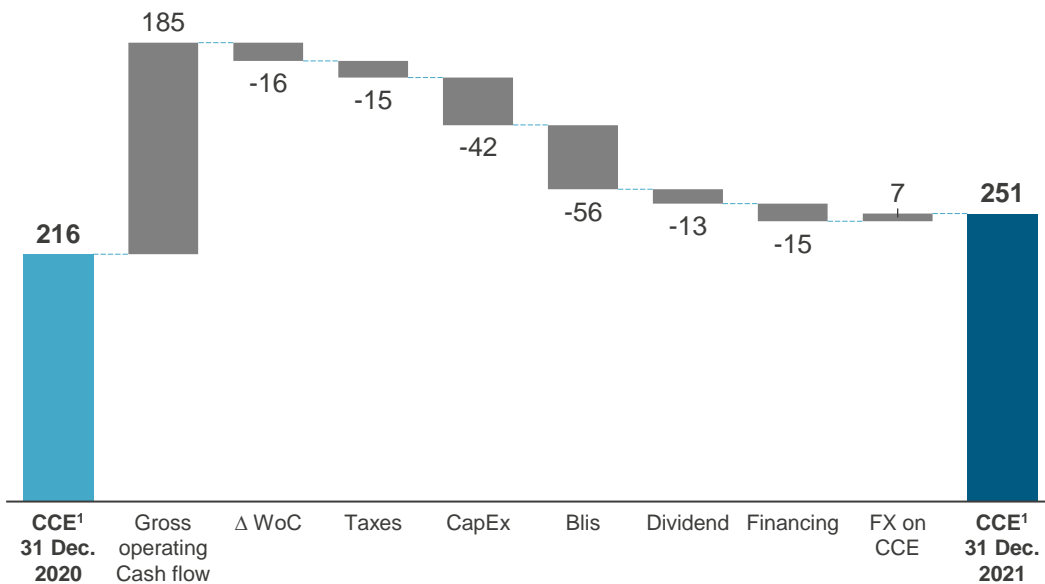
Key aspects

- Net income increase by SEK 4 m compared to previous year
- Lower sales volumes compensated by improved gross margin based on product mix and internal production
- OpEx, Financial result and Taxes in level with previous year



Investment in Blis Technologies and manufacturing upgrade financed by strong cash flow

Reconciliation of group liquidity SEK m



Key aspects

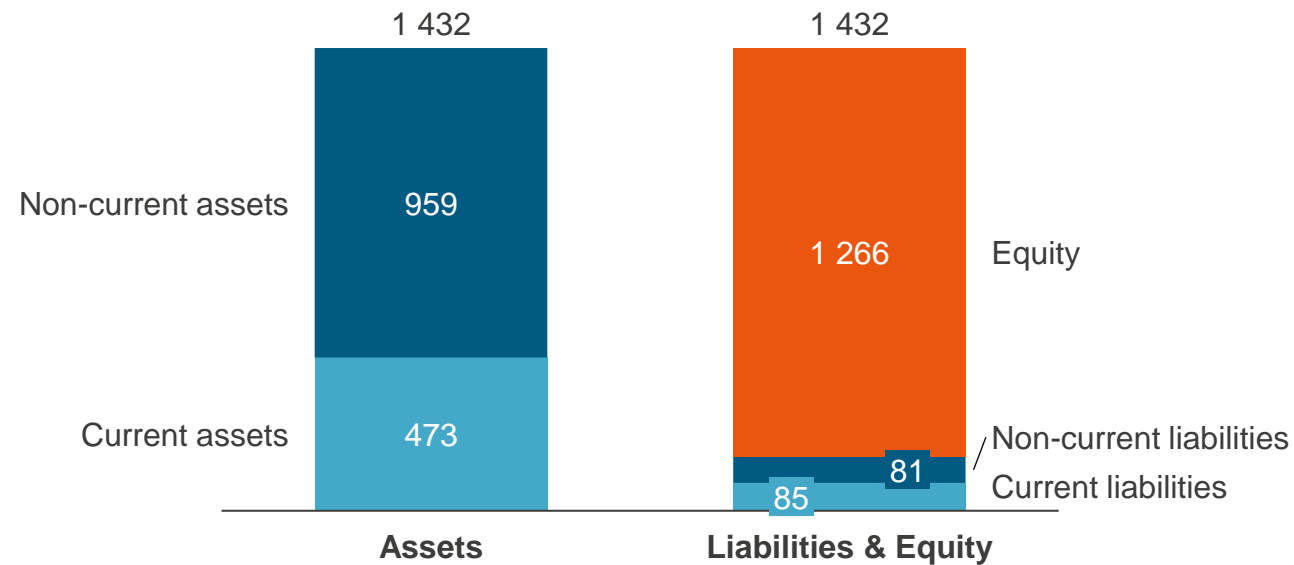
- Gross operating cash flow of SEK 185 m reflects robust business model
- Increased Working Capital due to high December invoicing
- CapEx mainly related to manufacturing upgrade program
- Investment in Blis Technologies in Q3 of SEK 56 m
- Dividend paid of SEK 13 m
- Financing includes payments of lease obligations
- Positive FX effect on cash compared to year-end 2020



¹ CCE = Cash and cash equivalents.

Solid balance sheet with no external loans

Balance sheet as per December 31, 2021
SEK m



Key aspects

- Total equity of SEK 1 266 m
- No external loans
- Equity ratio 88%





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Strategic focus

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





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Financial calendar

Interim report Q1 2022:	April 26, 2022
Annual General Meeting 2021:	May 5, 2022
Payment date for dividend:	May 12, 2022
Interim report Q2 2022:	July 15, 2022
Interim report Q3 2022:	October 21, 2022
Year-end report 2022:	January 27, 2023

