



21 Oct 2022 09:30

**Telephone Conference - Interim Management Statement Q3 2022**

Isabelle Ducellier. CEO  
Alexander Kotsinas. CFO



# Q3 2022 Executive Summary

- +48% sales increase driven by strong sales in all regions and especially in Americas
- Operating profit 94 MSEK, (+40 %) and operating margin of 36 % (39 %)
- Cash Flow from Operating Activities decreased by 30 % to 47 (68) MSEK



## Key Events

- 14th of July: Result for the second quarter exceed market expectations
- 29th of August: MetaboGen and BioGaia open pilot plant for new bacterial strains
- 22nd of September: Skinome launches pioneering skincare probiotic following collaboration with BioGaia
- 17th of October: Result for the third quarter exceed market expectations

## Launches

| Distributor                  | Country    | Product   |
|------------------------------|------------|---|
| <b>BioGaia</b>               | Sweden     | BioGaia Pharax drops                                  |
| <b>Abbott</b>                | Costa Rica | BioGaia Gastrus tablets                               |
| <b>Abbott</b>                | Panama     | BioGaia Gastrus tablets                               |
| <b>Phillips Therapeutics</b> | Nigeria    | BioGaia Protectis drops                               |
| <b>Phillips Therapeutics</b> | Nigeria    | BioGaia Protectis tablets                             |
| <b>BG Distribution</b>       | Hungary    | BioGaia Pharax drops with vitamin D                   |
| <b>Jaba Recordati</b>        | Portugal   | BioGaia Protectis Easydropper                         |
| <b>Casen Recordati</b>       | Spain      | BioGaia Protectis tablets with new taste (strawberry) |
| <b>Interbat</b>              | Indonesia  | BioGaia Prodentis Kids lozenges                       |
| <b>Nestlé</b>                | Brazil     | B.Lactis drops with vitamin D                         |

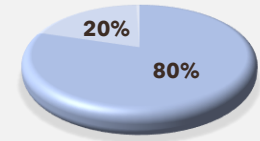
# Sales per Segment

- Total sales for the quarter increased with +48% (+33% excluding currency effects)
- Pediatrics sales increased with +57% mainly thanks to increased sales of Protectis Drops in Americas and EMEA
- Adult sales increased with +20% mainly thanks to increased sales of Gastrus in Americas

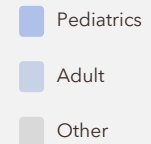
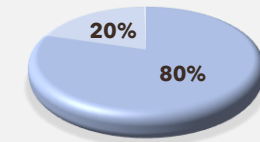
| SEK m              | Q3         |            |            | YTD        |            |            |
|--------------------|------------|------------|------------|------------|------------|------------|
|                    | 2022       | 2021       | %          | 2022       | 2021       | %          |
| Total Pediatrics   | 206        | 131        | 57%        | 661        | 454        | 46%        |
| Total Adult Health | 51         | 42         | 20%        | 165        | 122        | 36%        |
| Other              | 2          | 1          | 63%        | 3          | 4          | -11%       |
| <b>Total</b>       | <b>258</b> | <b>174</b> | <b>48%</b> | <b>830</b> | <b>579</b> | <b>43%</b> |

## Proportion Sales by segment

### Q3 2022



### YTD



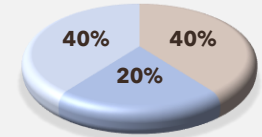
# Sales per Geographical Market

- **EMEA:** sales increased mainly in France and Eastern Europe
- **APAC:** sales increased mainly in China, South Korea and Taiwan
- **Americas:** sales increased mainly in the US and Brazil

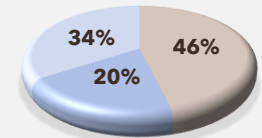
|              | Q3         |            |            | YTD        |            |            |
|--------------|------------|------------|------------|------------|------------|------------|
|              | 2022       | 2021       | Q3 Change  | 2022       | 2021       | YTD Change |
| SEK m        |            |            | %          |            |            | %          |
| EMEA         | 103        | 87         | 19%        | 383        | 251        | 53%        |
| APAC         | 53         | 44         | 20%        | 163        | 141        | 15%        |
| Americas     | 102        | 43         | 137%       | 284        | 187        | 52%        |
| <b>Total</b> | <b>258</b> | <b>174</b> | <b>48%</b> | <b>830</b> | <b>579</b> | <b>43%</b> |

## Proportion Sales by Region

### Q3 2022



### YTD



# Gross Margin per Segment

The gross margin was negatively affected by increasing purchase prices. BioGaia has already initiated price increases to counteract the increased purchase prices.

|                    | <b>Q3</b>  | <b>Q3</b>  | <b>YTD</b> | <b>YTD</b> |
|--------------------|------------|------------|------------|------------|
|                    | 2022       | 2021       | 2022       | 2021       |
| Total Pediatrics   | 74%        | 75%        | 73%        | 75%        |
| Total Adult Health | 64%        | 67%        | 64%        | 66%        |
| <b>Total</b>       | <b>72%</b> | <b>74%</b> | <b>72%</b> | <b>73%</b> |



# Financials

Alexander Kotsinas. CFO

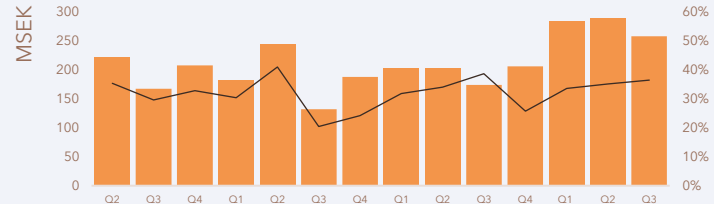


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# Q3 FINANCIALS

- Revenues were 258 (174) MSEK, +48% growth. Organic growth of 21 % (growth excluding currency and acquisitions)
- EBIT was 94 (67) MSEK (40% growth)
- EBIT margin of 36% (39%)
- Earnings per share were 0.79 (0.52) SEK
- Operating cash flow at 47 (68) MSEK

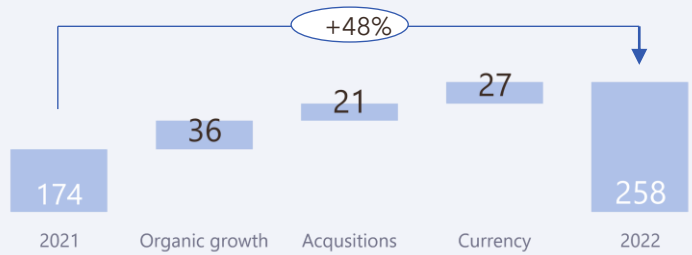
Net sales and EBIT margin (%)







# Q3 SALES BRIDGE



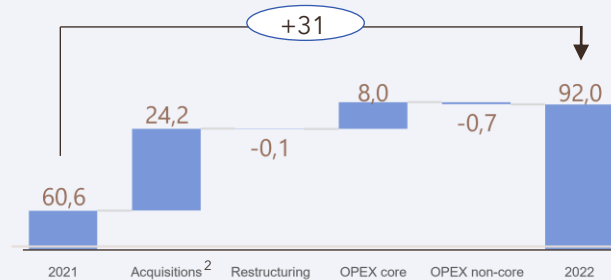
|                | Q3         |             | YTD        |             |
|----------------|------------|-------------|------------|-------------|
|                | in MSEK    | Change (%)  | in MSEK    | Change (%)  |
| <b>2021</b>    | 174        |             | 579        |             |
| Organic Growth | +36        | +21%        | +137       | +24%        |
| Acquisitions   | +21        | +12%        | +50        | +9%         |
| Currency       | +27        | +15%        | +64        | +11%        |
| <b>2022</b>    | <b>258</b> | <b>+48%</b> | <b>830</b> | <b>+43%</b> |

# GROUP OPEX

Total OPEX +52%. OPEX excluding Everidis (BioGaia USA) +12%

- Sales costs increased mainly due to Everidis (24.2 MSEK) but also due to increased activities.
- R&D costs excluding MetaboGen and BioGaia Pharma increased due to higher costs of clinical studies during the period
- Other costs at -15.1 MSEK due to positive currency effects

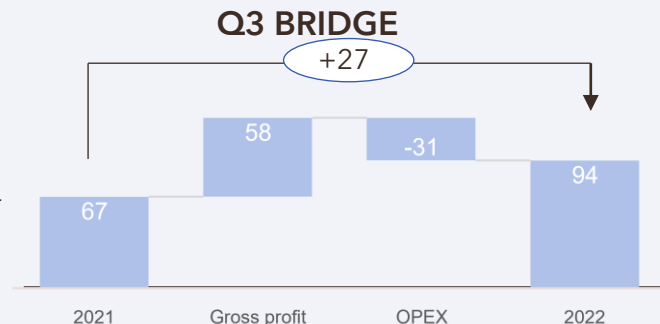
## Q3 BRIDGE



|   | Q3 2022      | Q3 2021      | Change      | YTD 2022      | YTD 2021      | Change      |
|---|--------------|--------------|-------------|---------------|---------------|-------------|
| <b>TOTAL OPEX</b>                               | <b>-92</b>   | <b>-61</b>   | <b>52%</b>  | <b>-304</b>   | <b>-223</b>   | <b>36%</b>  |
| TOTAL OPEX excl Restructuring <sup>1</sup>      | -92,0        | -60,6        | 52%         | -300,3        | -213,3        | 41%         |
| TOTAL OPEX excl Acquisitions <sup>2</sup>       | -67,9        | -60,7        | 12%         | -236,0        | -223,3        | 6%          |
| <b>OPEX Core</b>                                | <b>-88,4</b> | <b>-56,4</b> | <b>57%</b>  | <b>-290,6</b> | <b>-206,3</b> | <b>41%</b>  |
| Sales   | -77,0        | -38,6        | 100%        | -232,3        | -125,8        | 85%         |
| Admin   | -7,6         | -7,0         | 8%          | -26,4         | -30,4         | -13%        |
| R&D   | -19,0        | -15,4        | 23%         | -62,4         | -58,0         | 8%          |
| Other   | 15,1         | 4,6          | 228%        | 30,4          | 7,9           | 283%        |
| <b>OPEX Non-Core (MetaboGen+BioGaia Pharma)</b> | <b>-3,6</b>  | <b>-4,3</b>  | <b>-16%</b> | <b>-13,0</b>  | <b>-17,0</b>  | <b>-24%</b> |

# GROUP PROFIT AND LOSS

- Sales +48% (+33% excl. currency), +21% organic (excl. currency and excl. acquisitions)
- OPEX +52% (+12% excl. acquisitions<sup>1</sup>)
- EBIT increased with +40% and EBIT Margin 36%
- Adjusted EBIT increased with +39% and Adjusted EBIT Margin 36%



| GROUP P&L (MSEK)                 | Q3 2022    | Q3 2021    | Change     | YTD 2022   | YTD 2021   | Change     |
|----------------------------------|------------|------------|------------|------------|------------|------------|
| <b>Sales</b>                     | <b>258</b> | <b>174</b> | <b>48%</b> | <b>830</b> | <b>579</b> | <b>43%</b> |
| Gross Profit                     | 186        | 128        | 45%        | 594        | 424        | 40%        |
| - as a of percentage of revenues | 72%        | 74%        |            | 72%        | 73%        |            |
| OPEX                             | -92        | -61        | 52%        | -304       | -223       | 36%        |
| <b>EBIT</b>                      | <b>94</b>  | <b>67</b>  | <b>40%</b> | <b>290</b> | <b>201</b> | <b>45%</b> |
| - as a of percentage of revenues | 36%        | 39%        |            | 35%        | 35%        |            |
| Adjusted EBIT <sup>1</sup>       | <b>94</b>  | <b>67</b>  | <b>39%</b> | <b>294</b> | <b>211</b> | <b>39%</b> |
| - as a of percentage of revenues | 36%        | 39%        |            | 35%        | 36%        |            |
| <b>Profit after Tax</b>          | <b>80</b>  | <b>53</b>  | <b>50%</b> | <b>234</b> | <b>158</b> | <b>48%</b> |
| EPS (before and after dilution)  | 0.79       | 0.52       | 50%        | 2,32       | 1,56       | 48%        |

<sup>1</sup> excl Everidis (BioGaia USA)

# CASHFLOW

| GROUP Cash Flow (MSEK)  | Q3 2022 | Q3 2021 | Change (%) | YTD 2022 | YTD 2021 | Change (%) |
|---|---------|---------|------------|----------|----------|------------|
| Cash Flow from Operating Activities before Changes in Net Working Capital | 81      | 52      | 55%        | 236      | 167      | 42%        |
| Changes in Working Capital  | -34     | 16      | -313%      | -8       | -1       | 690%       |
| <b>Cash Flow from Operating Activities</b>                                | 47      | 68      | -30%       | 228      | 166      | 37%        |
| <b>Cash Flow from Investing Activities</b>                                | -5      | -13     | -65%       | -18      | -37      | -50%       |
| <b>Cash Flow from Financing Activities</b>                                | -5      | 0       | -1 230%    | -311     | -72      | 331%       |
| <b>Cash Flow for the period</b>   | 37      | 56      | -33%       | -102     | 57       | -280%      |
| <b>Cash at the end of period</b>  | 1 402   | 1 530   | -8%        | 1 402    | 1 530    | -8%        |

- Cash Flow from Operating Activities decreased by 30 % to 47 (68) MSEK due to changes in Working Capital despite strong operating profits
- Cash Flow for the period at 37 (56) MSEK
- Cash at the end of the period at 1 402 MSEK

# Balance Sheet

| GROUP Balance Sheet (MSEK)    | 30 sep<br>2022 | 30 sep<br>2021 | 31 dec<br>2021 | Change<br>(%) |
|-------------------------------|----------------|----------------|----------------|---------------|
| <b>Assets</b>                 | <b>2 161</b>   | <b>1 968</b>   | <b>2 128</b>   | 10%           |
| Total Non-current Assets      | 433            | 225            | 376            | 93%           |
| Total Current Assets          | 1728           | 1743           | 1752           | -1%           |
| <b>EQUITY and Liabilities</b> | <b>2 161</b>   | <b>1 968</b>   | <b>2 128</b>   | 10%           |
| <b>Total Equity</b>           | <b>1 849</b>   | <b>1 839</b>   | <b>1 877</b>   | 1%            |
| <b>Total Liabilities</b>      | <b>313</b>     | <b>129</b>     | <b>251</b>     | 143%          |
| Total Non-current Liabilities | 125            | 14             | 109            | 819%          |
| Total Current Liabilities     | 173            | 104            | 127            | 67%           |
| Deferred Tax Liability        | 14             | 11             | 14             | 26%           |

- The increase in Assets mainly due to the acquisition of Everidis during Q4 2021
- Total Equity 1 849 (1 839) MSEK



**Concluding Remarks**  
Isabelle Ducellier. CEO



# Conclusion

- Another strong quarter with +48% growth mainly driven by the lifting of covid restrictions and the wider implementation of our omni-channel retailing strategy of our global premium brand BioGaia
- EMEA is continuing its recovery with +19% driven by France and Eastern Europe
- Americas is performing strongly with +137% due to the acquisition of our distributor Everidis and good growth in Brazil.
- APAC is continuing its growth with +20% thanks to South Korea and China despite China still negatively affected by new lockdowns
- This strong quarter again reinforces our confidence for the future of BioGaia. There is a sizeable addressable market that is growing but risks related to challenging macro economics and continued covid restrictions. In order to mitigate increased purchase prices we have implemented price increases of our products. We will continue our strategy to focus on brand building and scientifically proven probiotics. Therefore, we maintain our long-term financial targets



BioGaia  
Production AB

## Q&A

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