

3 February 2023 09:30

Telephone Conference - Interim Management Statement Q4 2022

Isabelle Ducellier. CEO

Alexander Kotsinas. CFO

Q4 2022 Executive Summary



- Q4 2022: +33% sales increase driven by strong sales growth in EMEA and Americas
- Full year 2022: +41% sales increase

- Q4 2022: EBIT 71 MSEK (+34%) and EBIT margin 26% (26%)
- Full year 2022: EBIT 361 MSEK (+42%) and EBIT margin 33% (32%)



Key Events

- 17th of October: Result for the third quarter exceed market expectations
- The board of directors propose ordinary dividend of 1.45 SEK per share and extra dividend of 1.45 SEK per share, a total dividend of 2.90 SEK per share.

Launches

Distributor	Country	Product
Ascendis	Botswana	Protectis drops
Ascendis	Botswana	Protectis tablets
Ewopharma	Czechia	BioGaia Prodentis Kids lozenges
Ewopharma	Albania	BioGaia Protectis drops
Ewopharma	Albania	BioGaia Protectis drops with vitamin D
Ewopharma	Kosovo	BioGaia Protectis drops
Ewopharma	Kosovo	BioGaia Protectis drops with vitamin D
BioGaia	United Kingdom	BioGaia Protectis tablets with new taste (strawberry)
Abbott	Ecuador	BioGaia Gastrus
Abbott	Ecuador	BioGaia Prodentis lozenges
Abbott	Chile	BioGaia Prodentis lozenges
Abbott	Chile	BioGaia Protectis tablets with vitamin D
Abbott	Cambodia	BioGaia Protectis tablets
Ferozsons	Pakistan	BioGaia Protectis drops with vitamin D
PT Interbat	Indonesia	BioGaia Prodentis lozenges with new taste (apple)
Monos Pharma	Mongolia	BioGaia Prodentis lozenges

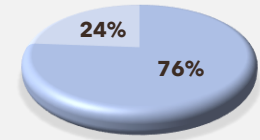
Sales per Segment

- Total sales for the quarter increased with +33% (+19% excluding currency effects)
Total sales for full year 2022 increased with +41% (29% excluding currency effects)
- Pediatrics sales increased with +38% (+44% for the full year) mainly thanks to increased sales of drops in Americas and EMEA
- Adult sales increased with +17% (+30% for the full year) mainly thanks to increased sales of Gastrus in Americas and EMEA

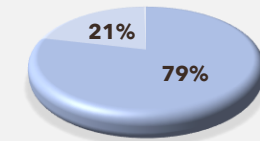
	Q4			YTD		
	2022	2021	Q4 Change %	2022	2021	YTD Change %
SEK m						
Total Pediatrics	207	150	38%	868	604	44%
Total Adult Health	65	55	17%	230	177	30%
Other	2	1	140%	5	5	18%
Total	274	206	33%	1 104	785	41%

Proportion Sales by segment

Q4 2022



YTD



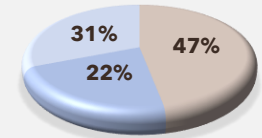
Sales per Geographical Market

- **EMEA:** sales increased with 51% (increase 52% for the full year) mainly in South and East Europe
- **APAC:** sales decreased with 18% mainly in China and Japan as a result of restrictions related to the pandemic and due to periodisation of orders. For the full year sales increased with 4% mainly due to South Korea and Vietnam.
- **Americas:** sales increased with 79% (increase 57% for the full year) mainly in the US and Chile

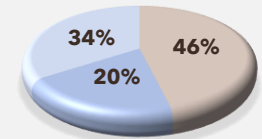
	Q4			YTD		
	2022	2021	Q4 Change %	2022	2021	YTD Change %
SEK m						
EMEA	128	85	51%	511	336	52%
APAC	60	73	-18%	223	214	4%
Americas	86	48	79%	369	235	57%
Total	274	206	33%	1 104	785	41%

Proportion Sales by Region

Q4 2022



YTD



Gross Margin per Segment

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

	Q4	Q4	YTD	YTD
SEK m	2022	2021	2022	2021
Total Pediatrics	77%	79%	74%	76%
Total Adult Health	72%	73%	67%	68%
Total	76%	77%	73%	74%

Financials

Alexander Kotsinas. CFO



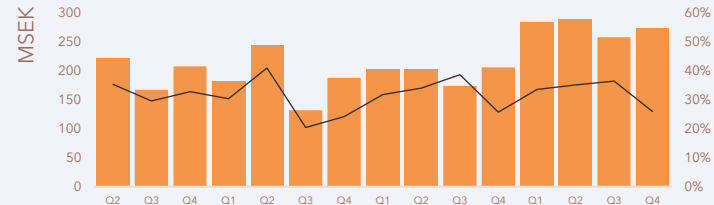
BioGaia®

Q4 FINANCIALS

- Revenues were 274 (206) MSEK, +33% growth. Organic growth of 5 % (growth excluding currency and acquisitions)
- EBIT was 71 (53) MSEK (34% growth)
- EBIT margin of 26% (26%)
- Earnings per share were 1.38 (0.38) SEK
- Operating cash flow at 94 (56) MSEK

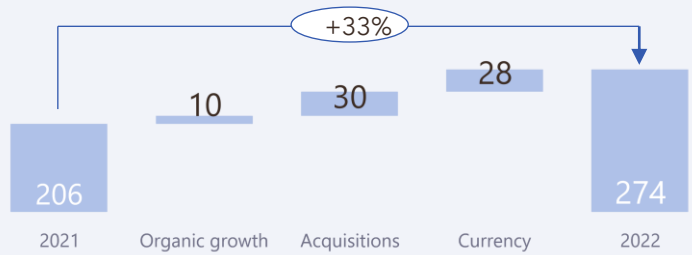


Net sales and EBIT margin (%)





Q4 SALES BRIDGE



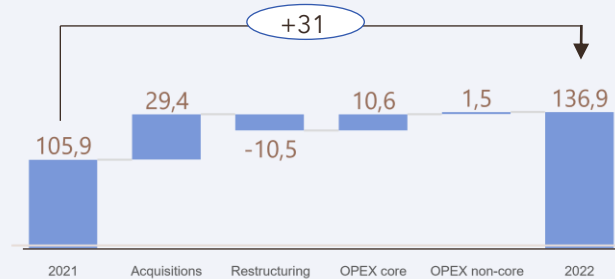
	Q4		YTD	
	in MSEK	Change (%)	in MSEK	Change (%)
2021	206		785	
Organic Growth	+10	+5%	+147	+19%
Acquisitions	+30	+15%	+80	+10%
Currency	+28	+14%	+92	+12%
2022	274	+33%	1 104	+41%

GROUP OPEX

Total OPEX +29%. OPEX excluding Acquisitions +1%

- Sales costs increased mainly due to Everidis (29.4 MSEK) but also due to increased activities.
- R&D costs excluding MetaboGen and BioGaia Pharma decreased slightly due to lower costs of clinical studies during the period

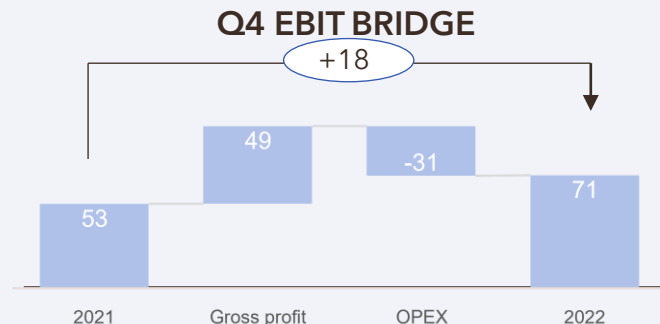
Q4 BRIDGE



MSEK	Q4 2022	Q4 2021	Change	YTD 2022	YTD 2021	Change
TOTAL OPEX	-136.9	-105.9	29%	-440.5	-329.2	34%
TOTAL OPEX excl Restructuring ¹	-135.1	-93.6	44%	-435.4	-306.9	42%
TOTAL OPEX excl Acquisitions ²	-107.5	-105.9	1%	-343.5	-329.2	4%
OPEX Core	-129.1	-99.6	30%	-419.7	-305.8	37%
Sales	-88.5	-66.6	33%	-320.8	-192.4	67%
Admin	-13.4	-12.2	10%	-39.8	-42.5	-6%
R&D	-23.6	-24.2	-2%	-86.0	-82.1	5%
Other	-3.5	3.3	-205%	27.0	11.2	140%
OPEX Non-Core (MetaboGen+BioGaia Pharma)	-7.8	-6.3	24%	-20.8	-23.4	-11%

GROUP PROFIT AND LOSS

- Sales +33% (+19% excl. currency. +5% organic (excl. currency and excl. acquisitions))
- OPEX +29% (+1% excl. acquisitions)
- EBIT +34% and EBIT Margin 26%
- Adjusted EBIT increased by 11% and Adjusted EBIT Margin 27%



Group P&L (MSEK)	Q4 2022	Q4 2021	Change	YTD 2022	YTD 2021	Change
Sales	274	206	33%	1104	785	41%
Gross Profit	208	159	31%	802	583	38%
- as a of percentage of revenues	76%	77%		73%	74%	
OPEX	-137	-106	29%	-440	-329	34%
EBIT	71	53	34%	361	254	42%
- as a of percentage of revenues	26%	26%		33%	32%	
Adjusted EBIT ¹	73	65	11%	367	276	33%
- as a of percentage of revenues	27%	32%		33%	35%	
Profit after Tax	139	38	264%	374	196	90%
EPS (before and after dilution)	1.38	0.38	264%	3.70	1.94	90%

¹ excl. restructuring costs and excluding costs evaluation of acquisition candidates

Cashflow

Group Cash Flow (MSEK)	Q4 2022	Q4 2021	Change (%)	YTD 2022	YTD 2021	Change (%)
Cash Flow from Operating Activities before Changes in Net Working Capital	87.6	57.4	53%	323.6	224.0	44%
Changes in Working Capital	6.6	-1.1	-705%	-4.6	-2.1	116%
Cash Flow from Operating Activities	94.2	56.3	67%	318.9	221.9	44%
Cash Flow from Investing Activities	-2.6	-90.1	-97%	-18.1	-127.0	-86%
Cash Flow from Financing Activities	-2.6	-9.8	-73%	-313.6	-81.8	283%
Cash Flow for the period	89.0	-43.6	-304%	-12.8	13.1	-198%
Cash at the end of period	1 488.4	1 484.7	0%	1 488.4	1 484.7	0%

- Cash Flow from Operating Activities increased with 67 % to 94.2 (56.3) MSEK due to improved operating profits and positive changes in Working Capital
- Cash Flow for the period at 89.0 (-43.6) MSEK
- Cash at the end of the period at 1 488.4 MSEK

Balance Sheet

Group Balance Sheet (MSEK)	31 Dec 2022	31 dec 2021	Change (%)
Assets	2 214	2 128	4%
Total Non-current Assets	416	376	11%
Total Current Assets	1797	1752	3%
Equity and Liabilities	2 214	2 128	4%
Total Equity	1 972	1 877	5%
Total Liabilities	242	251	-9%
Total Non-current Liabilities	64	109	-42%
Total Current Liabilities	165	127	30%
¹³ Deferred Tax Liability	13	14	-100%



Concluding Remarks
Isabelle Ducellier. CEO

Conclusion

- With +33% sales growth in Q4, we are closing the year on a strong note delivering +41% for 2022. For the first time in 32 years Biogaia's history we pass 1 billion SEK in turnover without compromising on our profitability with a full year EBIT margin of 33%. This is the result of 4 years of implementing our 4 pillars strategy : omni channel, brand building, uncompromising science and efficient product supply.
- The Q4 results are driven by :
 - EMEA +51% thanks to South and Eastern Europe. For the full year EMEA sales is 46% of our total sales and increased with +176 MSEK vs 2021.
 - Americas had an impressive growth at +79% by leveraging the US synergies identified when acquiring Everidis. The region now represents 34% of total sales, 9 % more than in 2019.
 - APAC underperformed at -18% in the quarter and an average year at +4% due to Covid related restrictions but remain solid based on a highly digital distributor network and our own well-established company in Japan.
- Despite stagflation risk i.e., high inflation combined with economic stagnation, we maintain our long-term sales and financial goals based on our resilient -almost 69% dependent on a product which is a must have (colic drops) with no other replacement product - and 6 quarters in a row of high growth



BioGaia
Production AB

Q&A

BioGaia®