



12 Aug 2021 09:30

**Telephone Conference – Interim Management Statement Q2 2021**

Isabelle Ducellier. CEO

Alexander Kotsinas. CFO



## Q2 2021 – Executive Summary

- Total sales -17% (-8% excluding currency). Q2 2020 was positively impacted by Covid-19 related customer inventory build-up. Sales YTD -5% (+5% excluding currency).
- Sales increased YTD in Americas and APAC mainly thanks to our omni-channel strategy but decreased in EMEA.
- The decrease in EMEA mainly due to BioGaia's distributors' sales forces have not to the same extent as normally, been able to visit doctors and pharmacy staff in most markets where BioGaia operates.
- Sales decreased mainly for Protectis tablets and Protectis Drops in the second quarter.

## Q2 2021 – Key Events

- 8<sup>th</sup> of April: Agreement with Minapharm Pharmaceuticals for the exclusive rights to sell BioGaia Protectis drops in Egypt.
- 13<sup>th</sup> of April: A randomised, double blind, placebo-controlled study in children showed that a supplement of two probiotic strains significantly reduced days of fever and severity of pain in children with upper respiratory tract infections.
- 20<sup>th</sup> of May: BioGaia opens new subsidiary in Finland – Takes over local distribution with BioGaia brand.
- 2<sup>nd</sup> of July: BioGaia becomes full owner of MetaboGen.



## Q2 2021 Launches

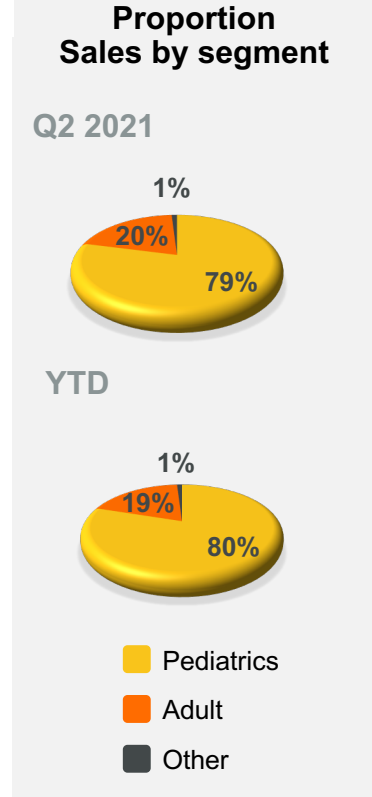
Distributor	Country	Product
Pharmabest	Israel	BioGaia Gastrus
EthicalNutrition	Argentina	BioGaia Protectis drops with vitamin D
bWellness	Australia	BioGaia Prodentis lozenges
Nestlé	Australia	B-lactis drops
Nestlé	Australia	BioGaia Protectis drops with vitamin D
Casen Recordati	Spain	BioGaia Protectis tablets with vitamin D
Casen Recordati	Spain	BioGaia Minipack
Ewopharma	Czech Republic	BioGaia Prodentis lozenges



## Sales per Segment (MSEK)

- Pediatrics sales -19% mainly due to decreased sales of Protectis Drops and Protectis tablets.
- Adult sales -8 % mainly due to decreased sales of Protectis Tablets
- Sales YTD -5% (+5% excluding currency)

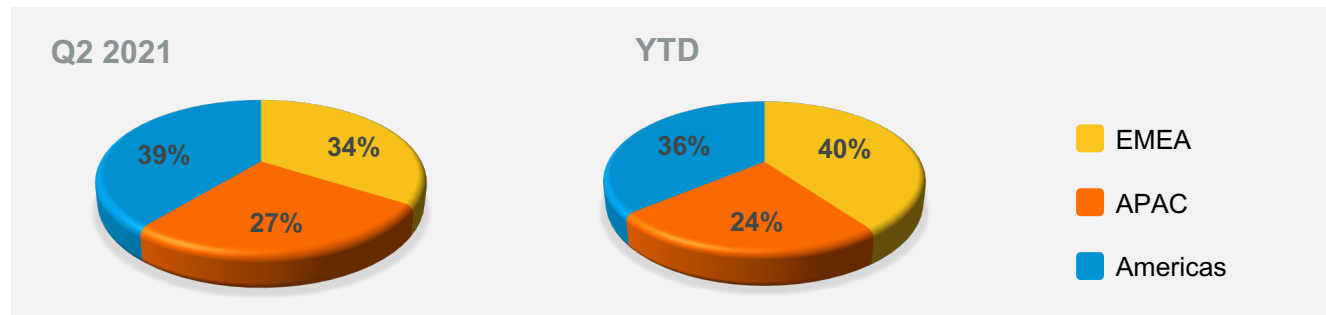
	Q2	Q2	Change	YTD	YTD	Change
	2021	2020		2021	2020	
Total Pediatrics	161	199	-19%	323	342	-6%
Total Adult health	41	44	-8%	80	85	-6%
Other	1	1	-7%	3	1	107%
<b>Total</b>	<b>203</b>	<b>245</b>	<b>-17%</b>	<b>405</b>	<b>428</b>	<b>-5%</b>



## Sales per Geographical Market (MSEK)

- **EMEA:** sales decreased in large markets like Italy and Spain both in the quarter and YTD.
- **APAC:** sales increased mainly in Australia in the quarter, sales also increased in Japan YTD. Sales increased in Vietnam and Korea thanks to online sales. Sales decreased in China.
- **Americas:** sales increased mainly in LATAM in the quarter. YTD sales increased in the US and LATAM.

	Q2	Q2	Change	YTD	YTD	Change
	2021	2020		2021	2020	
EMEA	70	113	-39%	164	231	-29%
APAC	55	55	-1%	97	88	11%
Americas	79	76	4%	144	108	33%
<b>Total</b>	<b>203</b>	<b>245</b>	<b>-17%</b>	<b>405</b>	<b>428</b>	<b>-5%</b>



## Gross Margin per Segment

- Stable gross margins in the quarter, YTD and MAT for Pediatrics products. Higher margins for Adult health products in the second quarter due to a royalty income in BioGaia Japan. Lower margins for Adult health products YTD due to product mix and campaigns during the first quarter.

	Q2	Q2	YTD	YTD	MAT	MAT
	2021	2020	2021	2020	Jul20- Jun21	Jul19- Jun20
Pediatrics products	75%	77%	75%	75%	74%	74%
Adult health products	70%	68%	65%	69%	68%	68%
<b>Total</b>	<b>74%</b>	<b>75%</b>	<b>73%</b>	<b>74%</b>	<b>73%</b>	<b>73%</b>



## **Financials**

Alexander Kotsinas, CFO



## OPEX (MSEK)

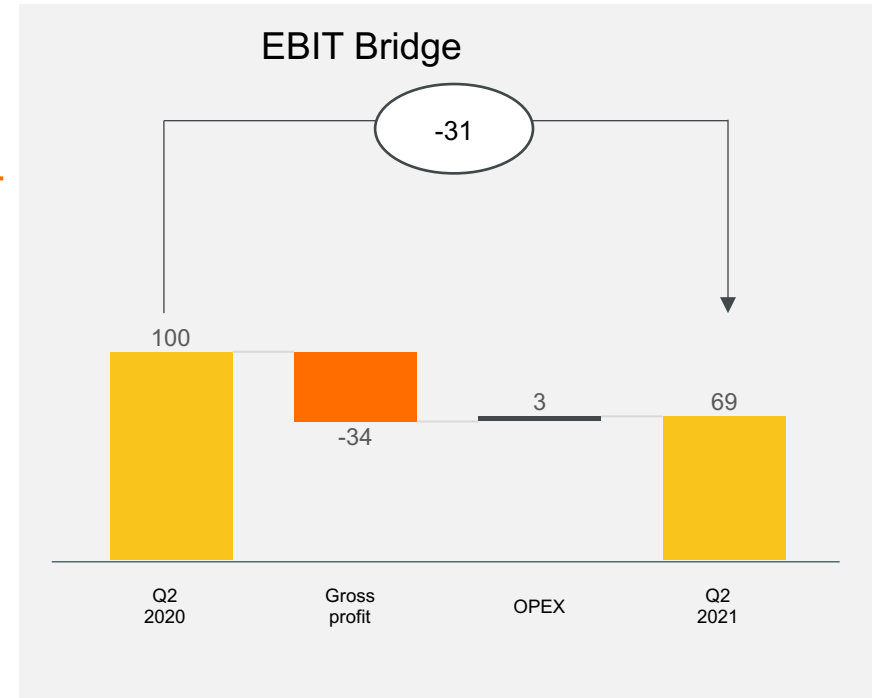
- OPEX -3%
- Sales costs flat
- R&D costs increased mainly due to higher costs for clinical studies delayed due to covid-19
- Other costs at -1.8 MSEK due to negative currency effects

	Q2	Q2	Change	YTD	YTD	Change
	2021	2020	%	2021	2020	%
<b>OPEX</b>	<b>-81,6</b>	<b>-84,2</b>	<b>-3%</b>	<b>-162,6</b>	<b>-161,6</b>	<b>1%</b>
<b>OPEX Core</b>	-74,9	-77,2	-3%	-149,9	-148,8	1%
Sales	-44,0	-44,5	-1%	-87,3	-89,1	-2%
Admin	-7,7	-6,2	24%	-23,4	-13,5	74%
R&D	-21,3	-20,0	7%	-42,6	-42,5	0%
Other	-1,8	-6,5	-72%	3,3	-3,8	-187%
<b>OPEX Non-Core</b>	<b>-6,8</b>	<b>-7,0</b>	<b>-3%</b>	<b>-12,7</b>	<b>-12,8</b>	<b>0%</b>

## P&L (MSEK)

- Sales -17% (-8% excluding currency effects)
- OPEX -3%
- EBIT -31%, EBIT Margin 34%

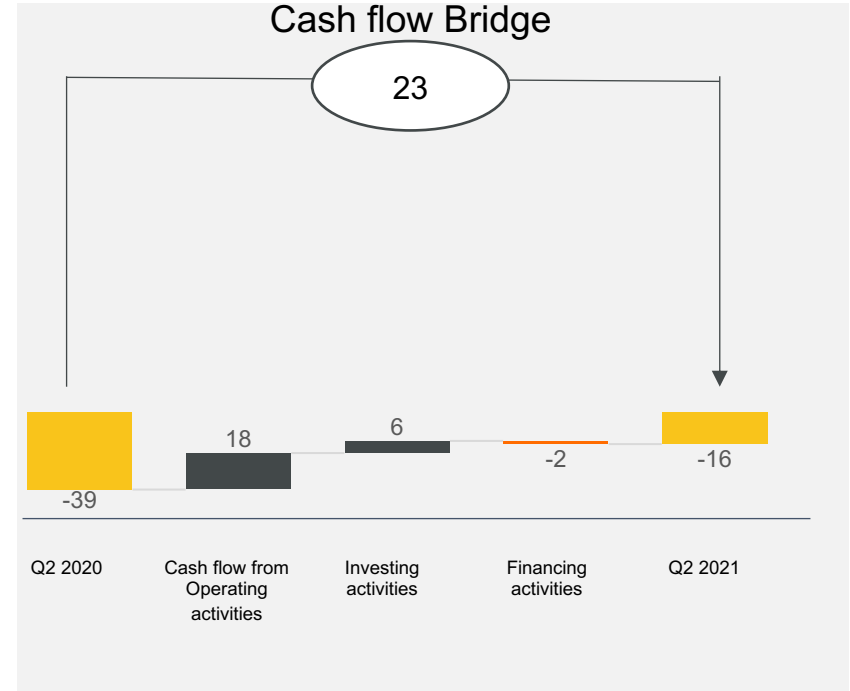
	Q2	Q2	Change	YTD	YTD	Change
	2021	2020	%	2021	2020	%
Sales	203	245	-17%	405	428	-5%
Gross Profit	151	184	-18%	296	317	-7%
OPEX	-82	-84	-3%	-163	-162	1%
EBIT	69	100	-31%	133	156	-14%
EBIT Margin	34%	41%		33%	36%	
Profit after Tax	55	79	-31%	105	121	-13%
EPS	2,71	4,52	-40%	5,21	6,91	-25%



## Cash Flow (MSEK)

- Cash Flow from operating activities 55.8 (37.8) MSEK.
- Cash Flow for the period at -16.2 (-38.7) MSEK. The higher cash flow is mainly due to a positive change in the working capital, which is partly offset by a lower operating profit.
- Lower cash flow YTD from investing activities due to investments in Boneprox (10.5 MSEK) and Skinome (11.5 MSEK).

	Q2 2021	Q2 2020	YTD 2021	YTD 2020
Cash flow from operating activities before changes in net working capital	57.0	80.2	114.5	128.0
Changes in working capital	-1.7	-42.4	-16.9	-16.8
Cash flow from operating activities	55.8	37.8	97.7	111.2
Cash flow from investing activities	-0.8	-6.8	-24.0	-11.1
Cash flow from financing activities	-71.2	-69.7	-72.6	-71.5
Cash flow for the period	-16.2	-38.7	1.1	28.7
Cash at end of period	1 468.9	242.5	1 468.9	242.5





**Concluding Remarks**  
Isabelle Ducellier. CEO



## Conclusion

- As expected, a challenging Q2 compared to a very strong Q2 last year driven by pandemic stock build-up from our distributors and some large orders shipped last week of Q1 this year.
- Reinforcement of the sales trend per region with Americas overperforming and EMEA still not recovering while APAC is back on track.
- Accelerating our B to C journey both in terms of organization and A&P investment in sales (creation of BioGaia digital and e-commerce) and marketing (social media and brand building).
- Thanks to new product launches based on current strains and proactive research efforts towards new strains and indications, a long-term consumer trend promoting food supplements intake to prevent being sick and our clear and consistent B to C strategy reflected in all decision we take, we remain confident for the future of BioGaia.



## Q&A

# BioGaia®

Probiotics grounded in evolution  
Driven by science

