

# Interim Management Statement

Telephone Conference -  
23<sup>rd</sup> of July 2024 09:30

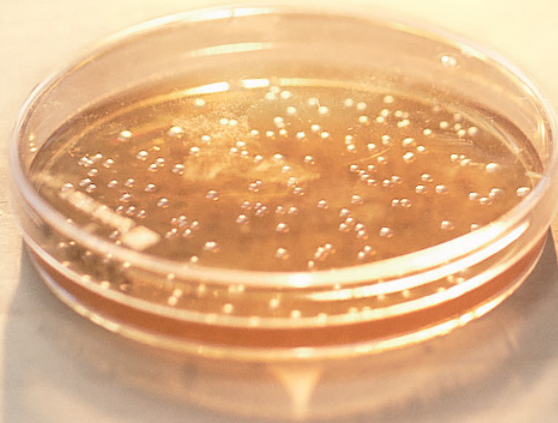
Theresa Agnew. CEO  
Alexander Kotsinas. CFO

**BioGaia**<sup>®</sup>



# EXECUTIVE SUMMARY

## Q2 - 2024



- Sales were 384 MSEK (+22%) mainly driven by sales growth in APAC and Americas
- Sales in EMEA increased by 7%, in APAC by 49%, and in Americas by 22%
- EBIT 135 MSEK (+42%) and EBIT margin 35% (30%)
- BioGaia established its own distribution in Australia and New Zealand
- In early July, BioGaia won the arbitration with the former Italian distributor, Noos
- Ramp up investments to drive continued growth. Costs are projected at SEK 75-85 million in the second half of 2024, on top of normal operating costs

# Key Events & Launches



Distributor	Country	Product
Pharmabest	Israel	BioGaia Protectis drops with vitamin D 10 ml
BioGaia	UK	BioGaia Prodentis lozenges mint

- On June 5, BioGaia announced that it is establishing its own distribution in Australia and New Zealand
- On July 19, BioGaia announced that it signed a long-term agreement establishing a direct relationship with Recordati for the exclusive distribution of probiotics in the Italian market.

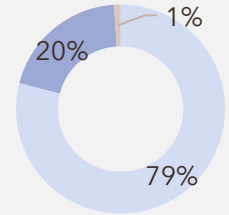
# Sales per Segment

- **Total** sales for the quarter increased by 22%
- **Pediatrics** sales increased by 32% due to increased sales of Protectis Drops. Sales increased in all regions, mainly in China, Brazil and Canada
- **Adult** sales decreased by 6% due to decreased sales of Protectis Tablets, mainly in South Africa, Belgium and Japan and due to quarterly variations for individual orders

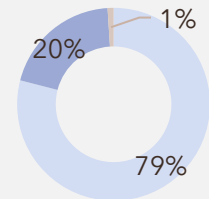
MSEK	Q2 2024	Q2 2023	Change	YTD 2024	YTD 2023	Change
Pediatrics	305	232	32%	597	538	11%
Adult Health	78	83	-6%	153	140	10%
Other	1	1	105%	4	4	0%
<b>Total</b>	<b>384</b>	<b>315</b>	<b>22%</b>	<b>754</b>	<b>681</b>	<b>11%</b>

## Sales per Segment

### Q2 2024



### YTD 2024



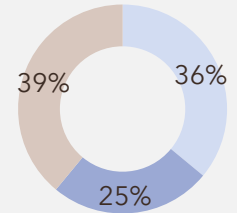
# Sales per Region

- **EMEA:** sales increased by 7% mainly in Germany, Spain and Turkey
- **APAC:** sales increased by 49% mainly in China, South Korea, and Vietnam. Sales for the quarter were positively impacted by quarterly variations for individual orders in China.
- **Americas:** sales increased by 22% mainly in BioGaia USA, Canada and Brazil. Sales for the quarter were positively impacted by quarterly variations for individual orders in Brazil.

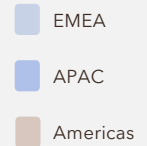
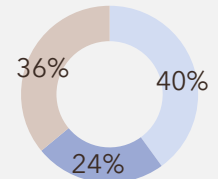
	Q2 2024	Q2 2023	Change	YTD 2024	YTD 2023	Change
<b>MSEK</b>						
EMEA	137	128	7%	299	271	10%
APAC	97	65	49%	183	146	25%
Americas	149	122	22%	272	264	3%
<b>Total</b>	<b>384</b>	<b>315</b>	<b>22%</b>	<b>754</b>	<b>681</b>	<b>11%</b>

## Sales per Region

### Q2 2024



### YTD 2024



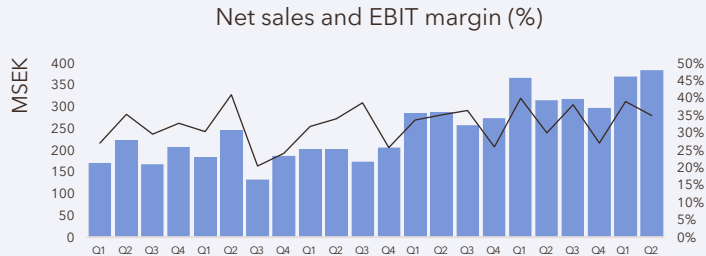
Alexander Kotsinas, CFO

# Financials

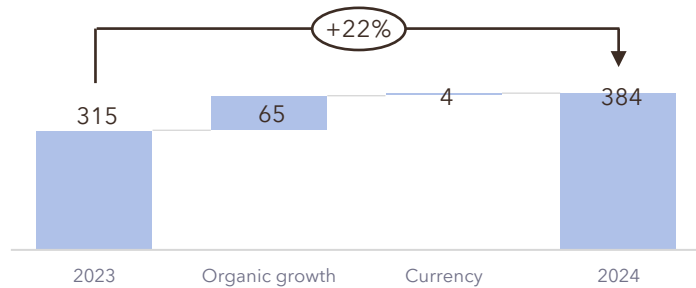


# Q2 Financials

- Revenues were 384 (315) MSEK. +22% growth
- EBIT was 135 (95) MSEK (+42%)
- EBIT margin of 35% (30%)
- Earnings per share were 1.10 (0.80) SEK
- Operating cash flow at 119 (105) MSEK



# Q2 Sales Bridge



MSEK	Q2	Change	YTD	Change
<b>2024</b>	315.2		681.0	
Organic growth	+64.8	+20.6%	+72.4	+10.6%
Currency	+4.1	+1.3%	+0.4	+0.1%
<b>2024</b>	<b>384.1</b>	<b>+21.9%</b>	<b>753.9</b>	<b>+10.7%</b>



# Gross Margin per Segment

The gross margin was stable at 74% compared to 72% one year ago. The Pediatrics gross margin increased, and the Adult Health gross margin decreased mainly due to product mix changes.

<b>MSEK</b>	<b>Q2 2024</b>	<b>Q2 2023</b>	<b>YTD 2024</b>	<b>YTD 2023</b>
Pediatrics	77%	74%	76%	74%
Adult Health	61%	67%	59%	65%
<b>Total</b>	<b>74%</b>	<b>72%</b>	<b>73%</b>	<b>72%</b>

# Operating Expenses (OPEX)

OPEX +13%

- Sales costs increased due to increased activities related to sales and marketing mainly in subsidiaries
- R&D costs decreased mainly due to timing effects and higher costs for clinical studies in the same period last year
- Admin costs decreased due to a reversal of an accrual for litigation fees in connection with the termination of the distribution agreement in Italy
- Other OPEX at -5.8 MSEK compared to +8.5 MSEK refers to exchange losses/gains on receivables and liabilities of an operating nature

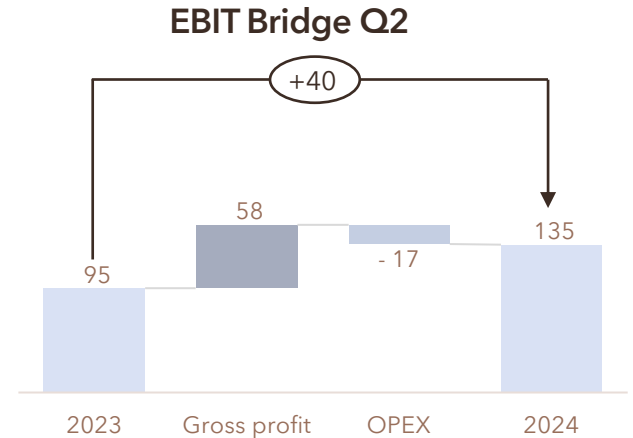
MSEK	Q2 2024	Q2 2023	Change	YTD 2024	YTD 2023	Change
Sales and Marketing	-110.3	-89.7	23%	-206.3	-177.8	16%
Research and Development	-26.8	-38.8	-31%	-51.9	-57.5	-10%
Administration	-5.8	-11.4	-49%	-19.7	-21.1	-7%
Other OPEX	-5.8	8.5	-169%	6.6	10.5	-38%
<b>TOTAL OPEX</b>	<b>-148.7</b>	<b>-131.4</b>	<b>13%</b>	<b>-271.3</b>	<b>-245.9</b>	<b>10%</b>
TOTAL OPEX excluding adjustments <sup>1</sup>	-151.4	-132.7	14%	-269.1	-244.8	10%

<sup>1</sup> restructuring costs and costs for evaluation of acquisition candidates

# Profit and Loss Statement

- Sales +22%
- OPEX +13%
- EBIT increased by 42% and EBIT Margin 35%

MSEK	Q2 2024	Q2 2023	Change	YTD 2024	YTD 2023	Change
<b>Sales</b>	<b>384</b>	<b>315</b>	<b>22%</b>	<b>754</b>	<b>681</b>	<b>11%</b>
Gross profit	284	226	25%	550	489	12%
- percentage of revenues	74%	72%		73%	72%	
OPEX	-149	-131	13%	-271	-246	10%
<b>EBIT</b>	<b>135</b>	<b>95</b>	<b>42%</b>	<b>279</b>	<b>243</b>	<b>15%</b>
- percentage of revenues	35%	30%		37%	36%	
<b>Adjusted EBIT</b>	<b>133</b>	<b>94</b>	<b>41%</b>	<b>281</b>	<b>244</b>	<b>15%</b>
- percentage of revenues	35%	30%		37%	36%	
Profit after tax	111	81	38%	233	196	19%
EPS	1.10	0.80	38%	2.31	1.95	19%



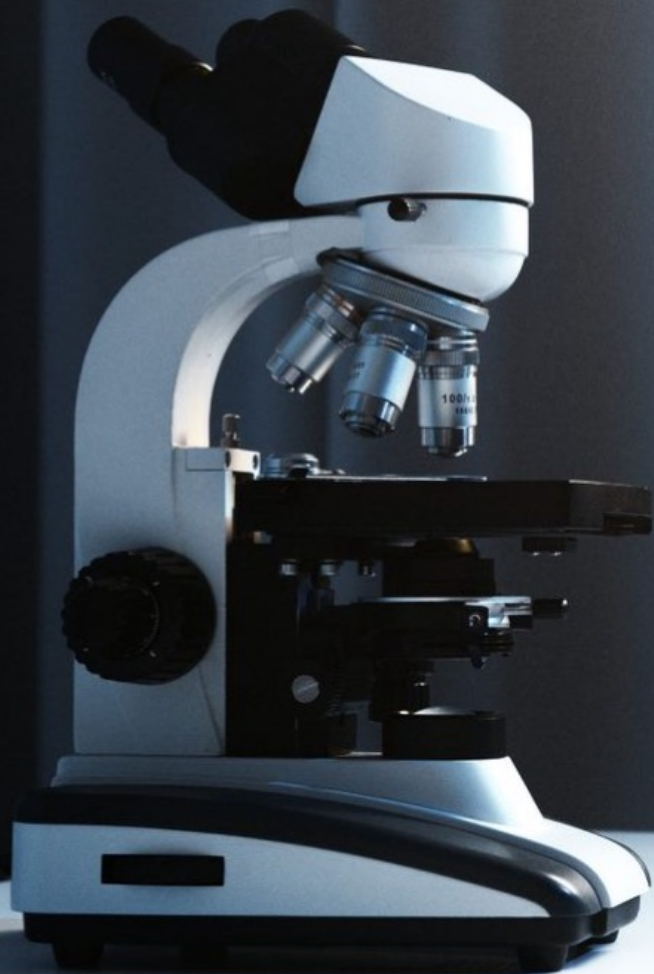
# Cashflow

- Cash Flow from Operating Activities increased by 14% to 119 (105) MSEK. The increase was mainly due to higher operating profit despite a negative change in working capital. Cash Flow from financing activities increased by 403 MSEK due to increased dividends of 696.8 MSEK (292.8)
- Cash Flow for the period at -582 (-216) MSEK
- Cash at the end of the period at 1,008 MSEK

MSEK	Q2 2024	Q2 2023	Change	YTD 2024	YTD 2023	Change
Cash flow from operating activities before changes in net working capital	124	83	49%	246	205	20%
Changes in working capital	-5	22	-121%	-75	-2	3751%
<b>Cash flow from operating activities</b>	<b>119</b>	<b>105</b>	14%	<b>171</b>	<b>203</b>	-16%
<b>Cash flow from investing activities</b>	-2	-25	-91%	-11	-26	-57%
<b>Cash flow from financing activities</b>	-699	-296	136%	-701	-299	135%
<b>Cash flow for the period</b>	<b>-582</b>	<b>-216</b>	170%	<b>-541</b>	<b>-122</b>	344%
Cash at the end of period	1,008	1,370	-26%	1,008	1,370	-26%

# Concluding Remarks

- In early July, BioGaia won the arbitration with the former Italian distributor, Noos
- Total sales increased by 22% (+21% excluding currency effects)
- EMEA sales increased 7% due to higher sales in both the Pediatrics and Adult Health segments. Sales increased mainly in Germany, Spain and Turkey
- APAC continues its solid growth with +49% and was due to higher sales in the Pediatrics segment. Sales increased mainly in China, South Korea, and Vietnam. Sales for the quarter were positively impacted by quarterly variations for individual orders in China
- Americas sales increased by 22% mainly due to increased sales in both the Pediatrics and Adult Health segments. Sales mainly increased in BioGaia USA, Canada and Brazil. Sales for the quarter were positively impacted by quarterly variations for individual orders in Brazil.
- Operating expenses +13% (+14% excluding items affecting comparability)
- EBIT margin 35%
- Ramp up investments to drive continued growth. Costs are projected at SEK 75-85 million in the second half of 2024, on top of normal operating costs



**Q&A**

**BioGaia®**