



13 August, 2020 09:30

Telephone Conference – Interim Management Statement Q2 2020

Isabelle Ducellier, CEO

Alexander Kotsinas, CFO



Quarter 2 2020 – Executive Summary

- Total sales +10% (8% excluding currency) mostly due to increased sales in Pediatrics. Product sales increased by 9%
- Good sales growth for BioGaia Protectis drops, BioGaia Prodentis and BioGaia Gastrus tablets
- Sales growth in all regions: EMEA (+1%), APAC (+23%) and Americas (+17%)



Quarter 2 2020 – Key Events

- Regarding COVID-19 BioGaia has continued to take a number of precautions to protect its employees and business. To date, impact on operations has been limited
- BioGaia launched Protectis Capsules in the Swedish market

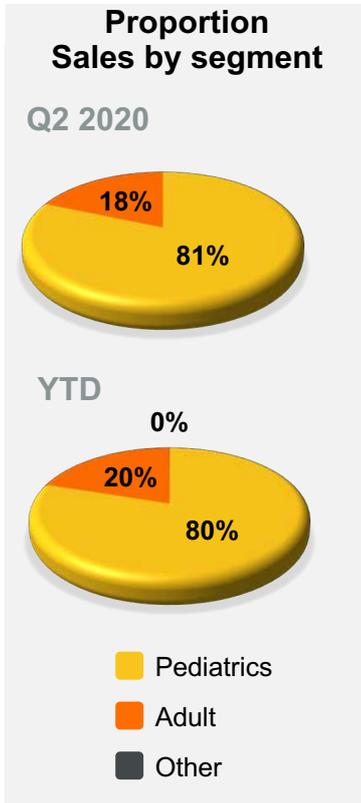
Quarter 2 2020 Launches

Distributor	Country	Product
Phillips Pharmaceuticals	Kenya	BioGaia Protectis drops with vitamin D
bWellness	Australia	BioGaia Gastrus
Dr Reddy's	India	BioGaia Protectis tablets with new flavour (lemon)
Abbott	Colombia	BioGaia Protectis drops with vitamin D
Abbott	Colombia	BioGaia Gastrus
Grisi	Mexico	BioGaia Prodentis
Agefinsa	Guatemala	BioGaia Gastrus
Pemix	Malta	BioGaia Protectis drops
Pemix	Malta	BioGaia Protectis tablets with new flavour (strawberry)

Sales per Segment (MSEK)

- Pediatrics sales +10% mostly due to increased sales of Protectis drops
- Adult sales +8% mostly due to increased sales of BioGaia Prodentis and BioGaia Gastrus tablets

	Q2 2020	Q2 2019	Change	YTD 2020	YTD 2019	Change
Total Pediatrics	199	181	10%	342	315	9%
Total Adult health	44	41	8%	85	79	8%
Other	1	0	325%	1	0	374%
Total	245	222	10%	428	394	9%



Gross Margin per Segment

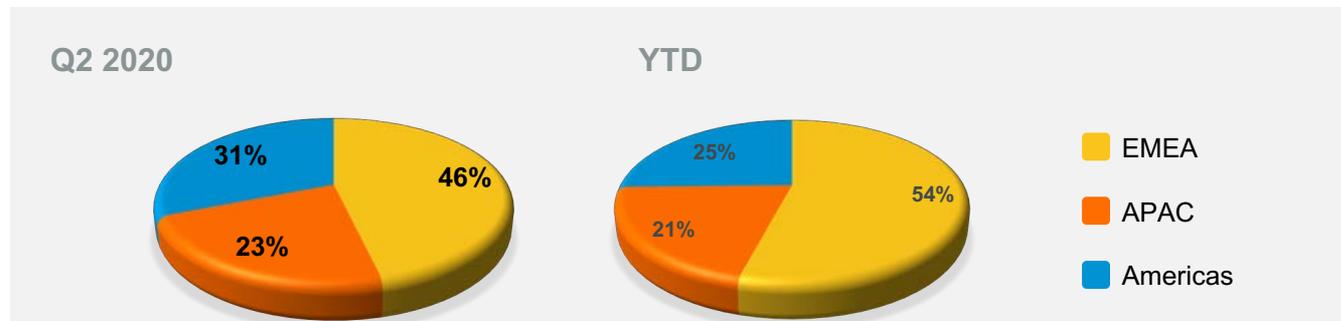
- Pediatrics: strong gross margin in the quarter
- Adults: lower margin due to increased transportation costs due to COVID-19

	Q2	Q2	YTD	YTD
	2020	2019	2020	2019
Pediatrics products	77%	74%	75%	74%
Adult health products	68%	72%	69%	71%
Total	75%	74%	74%	73%

Sales per Geographical Market (MSEK)

- Strong growth in **APAC and Americas** mainly due to increased sales in China and the US (increase partly due to periodization of orders in the US)
- Limited growth in EMEA due to weak performance in some countries including Italy and Finland

	Q2	Q2	Change	YTD	YTD	Change
	2020	2019	%	2020	2019	%
EMEA	113	112	1%	231	216	7%
APAC	55	45	23%	88	80	10%
Americas	76	65	17%	108	98	11%
Total	245	222	10%	428	394	9%





Financials

Alexander Kotsinas, CFO

OPEX (MSEK)

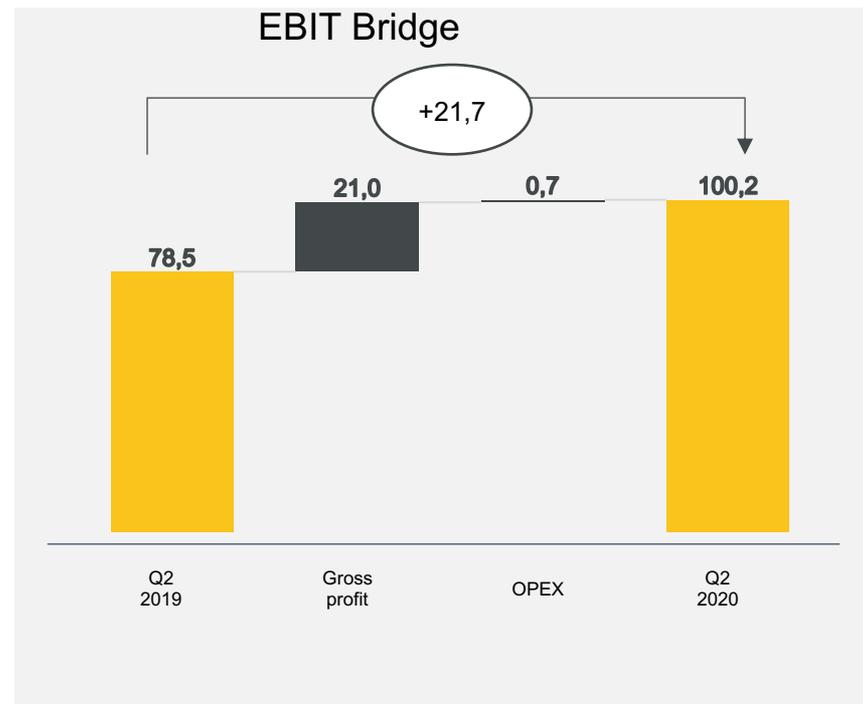
- OPEX -1%
- OPEX Core -4%
- OPEX Non-core +61%

	Q2	Q2	Change	YTD	YTD	Change
	2020	2019	%	2020	2019	%
OPEX	-84	-85	-1%	-162	-163	-1%
OPEX Core	77,2	80,6	-4%	148,8	153,8	-3%
Sales	44,5	48,8	-9%	89,1	89,5	-0,5%
Admin	6,2	5,0	23%	13,5	11,7	15%
FOU	20,0	23,8	-16%	42,5	45,9	-7%
Other	6,5	3,0	117%	3,8	6,8	-43%
OPEX Non-Core	7,0	4,3	61%	12,8	9,1	40%

P&L (MSEK)

- Sales +10% and Gross Profit +13%
- OPEX -1%
- EBIT growth +28% - EBIT Margin 41%

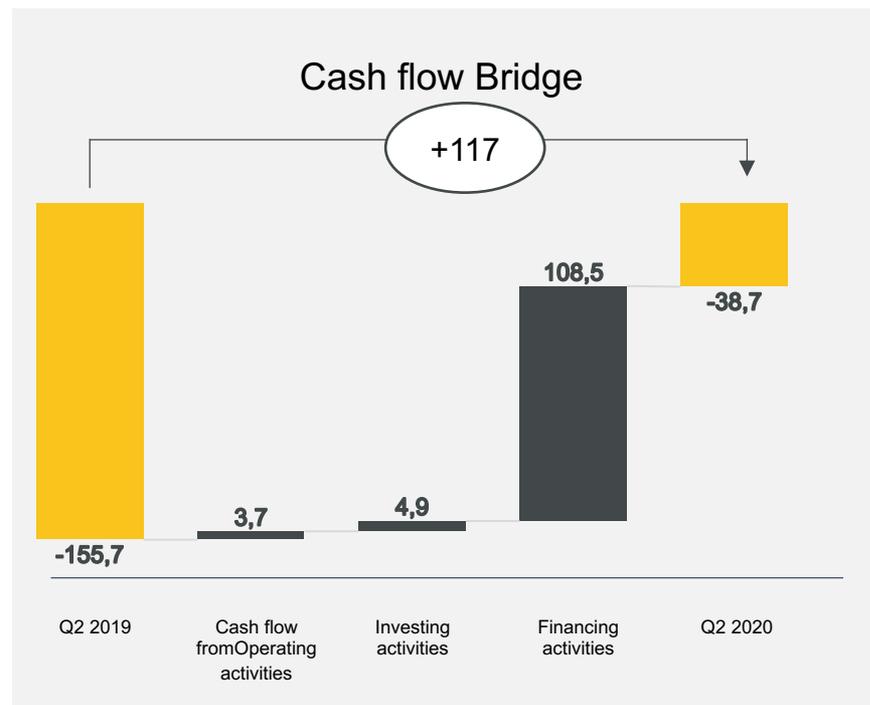
	Q2 2020	Q2 2019	Change %	YTD 2020	YTD 2019	Change %
Sales	245	222	10%	428	394	9%
Gross Profit	184	163	13%	317	288	10%
OPEX	-84	-85	-1%	-162	-163	-1%
EBIT	100	79	28%	156	125	25%
EBIT Margin	41%	35%		36%	32%	
Profit after Tax	79	61	29%	121	97	25%
EPS	4.56	3.52	29%	6.97	5.58	25%



Cash Flow (MSEK)

- Cash Flow from operating activities 37.8 (34.2) MSEK
- Cash Flow for the period at -38.7 (-155.7) MSEK
- Cash flow from financing activities increased due to no extra dividend payed (2019 extra dividend 103 MSEK)

	Q2 2020	Q2 2019
Cash flow from operating activities before changes in net working capital	80.2	67.4
Changes in working capital	-42.4	-33.3
Cash flow from operating activities	37.8	34.2
Cash flow from investing activities	-6.8	-11.7
Cash flow from financing activities	-69.7	-178.2
Cash flow for the period	-38.7	-155.7
Cash at end of period	242.5	160.1





Concluding Remarks
Isabelle Ducellier, CEO

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Conclusion

- Healthy sales growth of 10% with especially USA and China fueling our growth
- Strong EBIT growth of 28% due to the combination of healthy sales and covid-19 related savings of OPEX
- So far, we have seen limited impact of COVID-19 however difficult to predict future effects. With a strong financial situation we are well equipped to address uncertainties



Q&A