



6 May 2021 09:30

**Telephone Conference – Interim Management Statement Q1 2021**

Isabelle Ducellier. CEO

Alexander Kotsinas. CFO



## Q1 2021 – Executive Summary

- Total sales +10% (+21% excluding currency) mainly due to increased sales in the US and phasing of some orders. Sales MAT -2% (+2% excluding currency).
- Sales increased in Americas and APAC mainly thanks to omni-channel strategy but decreased in EMEA. 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 somewhat for BioGaia Protectis tablets but increased for BioGaia Protectis Drops, BioGaia Prodentis and BioGaia Gastrus.

## Q1 2021 – Key Events

- 27<sup>th</sup> of January: Osfortis and Prodentis launched in Sweden.
- 3<sup>rd</sup> of February: Revised dividend policy to 50 per cent of the profit after tax in the Parent Company.
- 12<sup>th</sup> of February: MetaboGen received approval from the Ethics Committee to start a clinical study, targeting a pre-diabetic population.
- 17<sup>th</sup> of March: BioGaia Invest established to invest in companies that will support the growth of BioGaia. A total of SEK 150 million has been allocated to BGI to enable investments between SEK 5 to 15 million.
- 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.



# Q1 2021 Launches

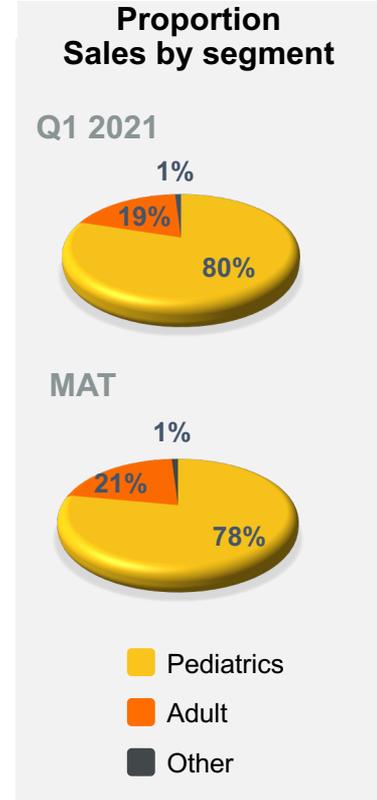
Distributor	Country	Product
Allergycare	Switzerland	BioGaia Osfortis
BioGaia Sweden	Sweden	BioGaia Prodentis
Abbott	Costa Rica	BioGaia Protectis Drops 5 ml with vitamin D
Abbott	Panama	BioGaia Protectis Drops 5 ml with vitamin D
Abbott	Paraguay	BioGaia Protectis Drops 5 ml with vitamin D
PediAct	France	BioGaia Protectis Capsules
Ewopharma	Czech Republic	Protectis tablets D3+



## Sales per Segment (MSEK)

- Pediatrics sales +13% mainly due to increased sales of Protectis Drops
- Adult sales -4 % mainly due to decreased sales of Protectis Tablets
- Sales MAT -2%

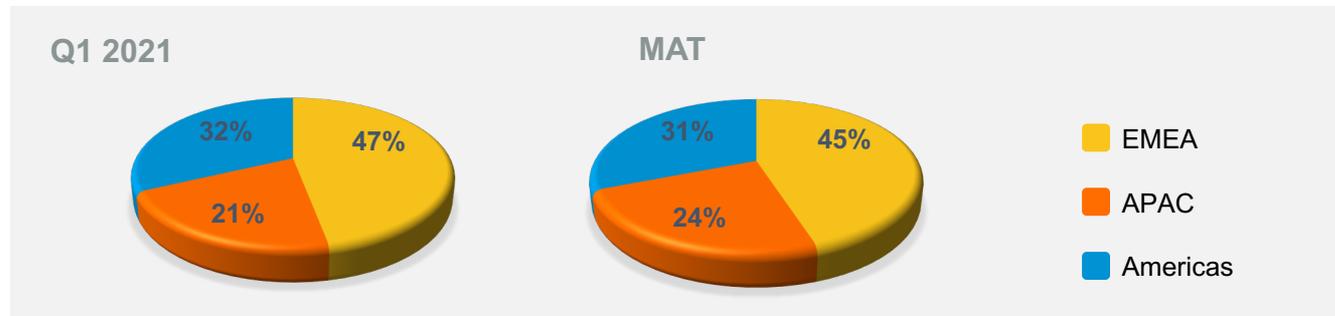
	Q1	Q1	Change	MAT	MAT	Change
	2021	2020		Apr20- mar21	Apr19- mar20	
Total Pediatrics	162	142	13%	602	609	-1%
Total Adult health	39	40	-4%	160	170	-6%
Other	2	0	1101%	4	1	299%
<b>Total</b>	<b>202</b>	<b>183</b>	<b>10%</b>	<b>766</b>	<b>780</b>	<b>-2%</b>



## Sales per Geographical Market (MSEK)

- **EMEA:** sales decreased in large markets like Italy and Spain both in the quarter and MAT
- **APAC:** sales increased in Japan and China
- **Americas:** sales increased both in the US and in LATAM

	Q1	Q1	Change	MAT	MAT	Change
	2021	2020		Apr20-mar21	Apr19-mar20	
EMEA	94	118	-20%	349	414	-16%
APAC	42	32	30%	181	175	3%
Americas	65	32	102%	237	191	24%
<b>Total</b>	<b>202</b>	<b>183</b>	<b>10%</b>	<b>766</b>	<b>780</b>	<b>-2%</b>



## Gross Margin per Segment

- Stable gross margins in the quarter and MAT for Pediatrics products. Lower margins for Adult health products in Q1 due to product mix and campaigns during the quarter.

	<b>Q1</b>	<b>Q1</b>	<b>MAT</b>	<b>MAT</b>
	2021	2020	Apr20- mar21	Apr19- mar20
Pediatrics products	75%	73%	74%	74%
Adult health products	60%	70%	67%	70%
<b>Total</b>	<b>72%</b>	<b>73%</b>	<b>73%</b>	<b>73%</b>



## **Financials**

Alexander Kotsinas, CFO

## OPEX (MSEK)

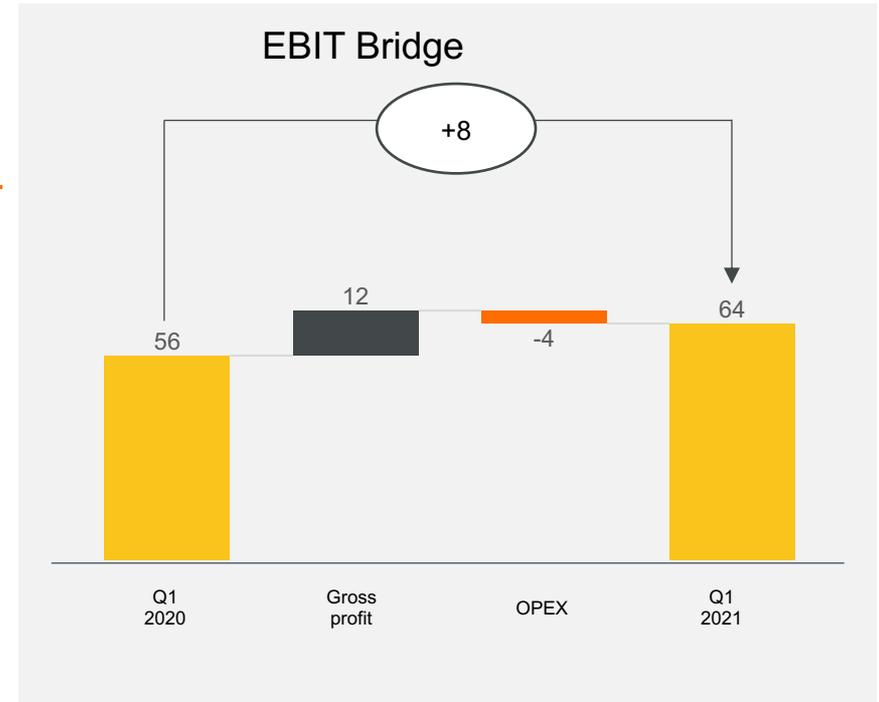
- OPEX +5%
- Sales costs lower due to less travel and lower costs in Japan, partly offset by higher personnel costs due to restructuring (2.4 MSEK)
- Admin costs higher mainly due to M&A costs (2.5 MSEK) and premises restructuring costs (5.1 MSEK)
- R&D costs lower due to less staff and travel
- Other costs at 5.2 MSEK due to positive currency effects

	Q1	Q1	Change	MAT	MAT	Change
	2021	2020	%	Apr20- mar21	Apr19- mar20	%
<b>OPEX</b>	<b>-81.0</b>	<b>-77.4</b>	<b>5%</b>	<b>-322.3</b>	<b>-320.9</b>	<b>0%</b>
<b>OPEX Core</b>	-75.0	-71.6	5%	-295.4	-298.5	-1%
Sales	-43.2	-44.6	-3%	-170.3	-188.2	-10%
Admin	-15.7	-7.3	116%	-34.6	-25.2	37%
R&D	-21.3	-22.5	-5%	-76.6	-84.0	-9%
Other	5.2	2.7	91%	-1.9	-1.1	1219%
<b>OPEX Non-Core</b>	<b>-5.9</b>	<b>-5.8</b>	<b>3%</b>	<b>-27.0</b>	<b>-22.4</b>	<b>20%</b>

# P&L (MSEK)

- Sales +10% (+21% excluding currency effects)
- OPEX +5%
- EBIT +16% - EBIT Margin 32% (37% excluding restructuring and M&A costs of 10 MSEK)

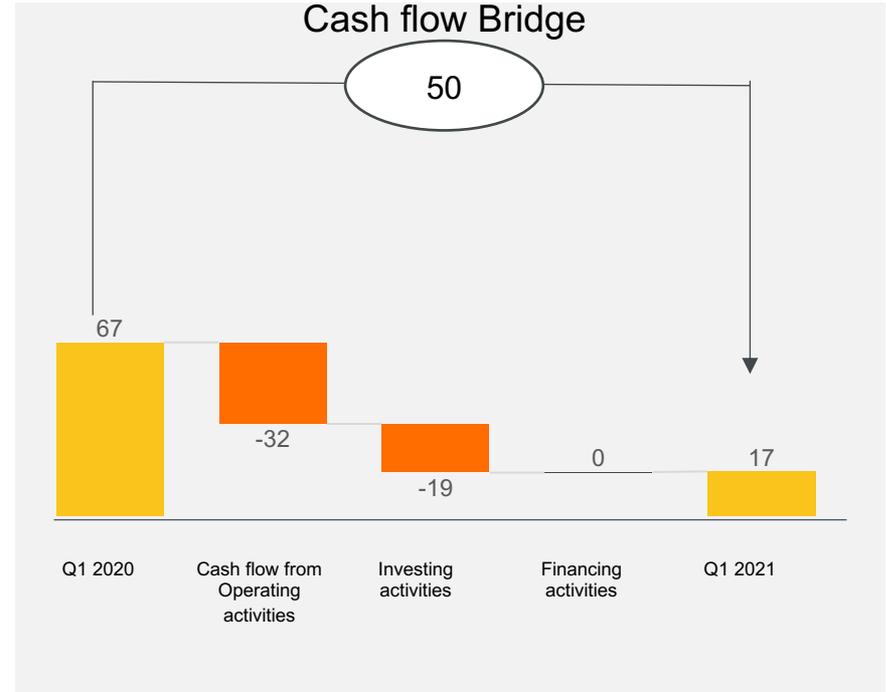
	Q1 2021	Q1 2020	Change %	MAT Apr20- mar21	MAT Apr19- mar20	Change %
Sales	202	183	10%	766	780	-2%
Gross Profit	145	133	9%	559	573	-2%
OPEX	-81	-77	5%	-322	-321	0%
EBIT	64	56	16%	237	252	-6%
EBIT Margin	32%	30%		31%	32%	
Profit after Tax	50	42	21%	188	193	-3%
EPS	2,50	2,39	4.5%	10,17	11,07	-8%



## Cash Flow (MSEK)

- Cash Flow from operating activities 41.9 (73.5) MSEK
- Cash Flow for the period at 17.2 (67.4) MSEK. The lower cash flow is mainly due to increased accounts receivables and reduced accounts payable, which were partly offset by a lower level of inventory.
- Lower cash flow from investing activities due to investments in Boneprox (10.5 MSEK) and Skinome (11.5 MSEK).

	Q1 2021	Q1 2020
Cash flow from operating activities before changes in net working capital	57.0	47.9
Changes in working capital	-15.1	25.6
Cash flow from operating activities	41.9	73.5
Cash flow from investing activities	-23.3	-4.3
Cash flow from financing activities	-1.4	-1.7
Cash flow for the period	17.2	67.4
Cash at end of period	1486.8	284.1





**Concluding Remarks**  
Isabelle Ducellier. CEO



## Conclusion

- We are very satisfied with our Q1 with a strong sales growth at +10% (+21% organic growth) driven by Americas and APAC. In EMEA we are still suffering in our traditional big markets such as Italy where the total probiotics market decreased by -26,5% Q1 2021 vs Q1 2020
- But the pandemic didn't stop us or our distributors neither to launch new products nor to do the internal changes to adapt ourself to the new normal
- We have been very active both in medical and consumer activation all around the world . We can clearly see that the multi-channel strategy early implemented in markets such as the US is the way to go
- Our ambition is that our brand Biogaia will be available at every consumer touch-point in order to generate growth



## Q&A

# BioGaia®

Probiotics grounded in evolution  
Driven by science

