



21 Oct 2021 09:30

Telephone Conference – Interim Management Statement Q3 2021

Isabelle Ducellier. CEO

Alexander Kotsinas. CFO



Q3 2021 – Executive Summary

- Total sales increased with +32% (+35% excluding currency effects)

Sales YTD increased with +3% (+12% excluding currency effects).

- Sales increased in EMEA and APAC while Americas decreased
- EBIT increased with 148%
- Cash Flow increased with 10%

Q3 2021 – Key Events

- 2nd of July: BioGaia becomes full owner of MetaboGen.
- 10th of September: BioGaia Pharma has received formal approval rights to proceed with both of its planned clinical trials for Ulcerative Colitis and to treat constipation in patients receiving opioid therapy for pain treatment.
- 20th of September: Beginning in November 2021. BioGaia will be selling its probiotic products under its own management in the UK market. The decision is part of the company's overall strategy of increasing B2C sales and sales via its own e-commerce solution. BioGaia will launch its entire product portfolio in the British market.
- 13th of October: BioGaia's profit for third quarter to exceed market expectations



Q3 2021 Launches

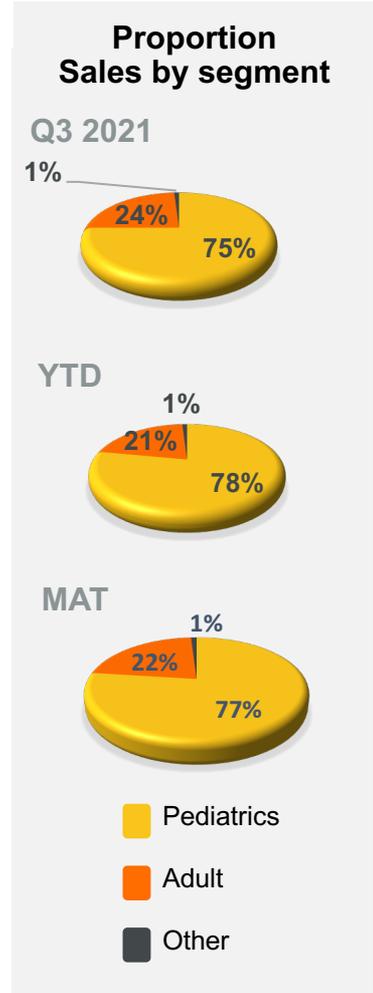
Distributor	Country	Product
BioGaia	Finland	BioGaia Protectis drops and tablets. BioGaia Gastrus and BioGaia Prodentis
Sued	Dominican Republic	BioGaia Protectis drops with vitamine D
Nestlé	Ecuador	Protectis minipack
Nestlé	Ecuador	B. Lactis drops
Everidis	USA	BioGaia Immune drops. tablets and capsules
Everidis	USA	BioGaia Prodentis Baby drops
Sunflower	China	BioGaia Prodentis Mum
Sunflower	China	BioGaia Prodentis Mini
BioGaia	China	BioGaia Osfortis
Grace International	South Korea	BioGaia Protectis capsules
Grace International	South Korea	BioGaia Protectis tablets with vitamine D
Cube	Greece	BioGaia Prodentis with new taste (apple)



Sales per Segment (MSEK)

- Pediatrics sales increased with +28% mainly due to increased sales of Protectis Drops in EMEA and APAC
- Adult sales increased with +43% mainly due to increased sales of Protectis Tablets and Prodentis
- Total sales for the quarter increased with +32% (+35% excluding currency effects) and YTD with +3% (+12% excluding currency effects)

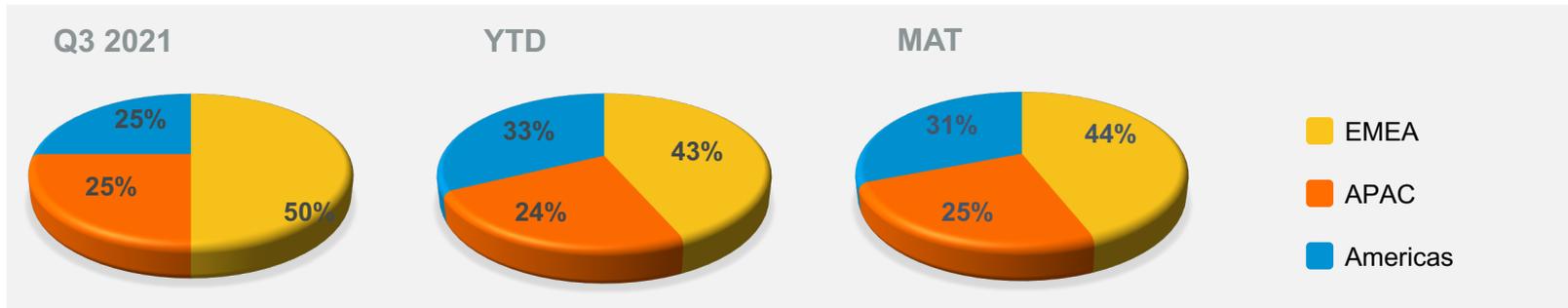
	Q3	Q3	Change	YTD	YTD	Change	MAT	MAT	Change
	2021	2020	%	2021	2020	%	Oct20-Sep21	Oct19-Sep20	%
Total Pediatrics	131	102	28%	454	443	2%	593	601	-1%
Total Adult health	42	29	43%	122	114	7%	169	164	3%
Other	1	1	20%	4	2	75%	4	2	81%
Total	174	132	32%	579	559	3%	767	767	0%



Sales per Geographical Market (MSEK)

- **EMEA:** sales increased in large markets like Italy and Spain in the quarter. The quarter was positively impacted by some larger orders in the end of the quarter.
- **APAC:** sales increased mainly in China and Hong Kong in the quarter and YTD. Sales in Japan increased YTD but not in the quarter.
- **Americas:** sales decreased in Americas in the quarter due to weak sales in LATAM despite strong sales in the US. Sales in LATAM was weak mainly due to periodization of orders to Brazil. YTD sales increased in the US and LATAM.

	Q3	Q3	Change	YTD	YTD	Change	MAT	MAT	Change
	2021	2020	%	2021	2020	%	Oct20-Sep21	Oct19-Sep20	%
EMEA	87	58	51%	251	289	-13%	334	396	-16%
APAC	44	29	53%	141	117	21%	195	172	14%
Americas	43	46	-6%	187	154	22%	237	199	19%
Total	174	132	32%	579	559	3%	767	767	0%



Gross Margin per Segment

- Gross margins were stable in the quarter. YTD and MAT for Pediatrics products. Lower margins for Adult health products in the quarter. YTD and MAT due to product mix and campaigns.

	Q3	Q3	YTD	YTD	MAT	MAT
	2021	2020	2021	2020	Aug20- Sep21	Aug19- Sep20
Pediatrics products	75%	66%	75%	73%	75%	74%
Adult health products	67%	72%	66%	70%	67%	70%
Total	74%	68%	73%	73%	74%	73%



Financials

Alexander Kotsinas. CFO

OPEX (MSEK)

OPEX -3%

- Sales costs increased mainly due to increased marketing activities and personnel costs
- R&D costs excluding MetaboGen and BioGaia Pharma increased slightly due to higher costs for clinical studies.
- Other costs at +4.6 MSEK due to positive currency effects

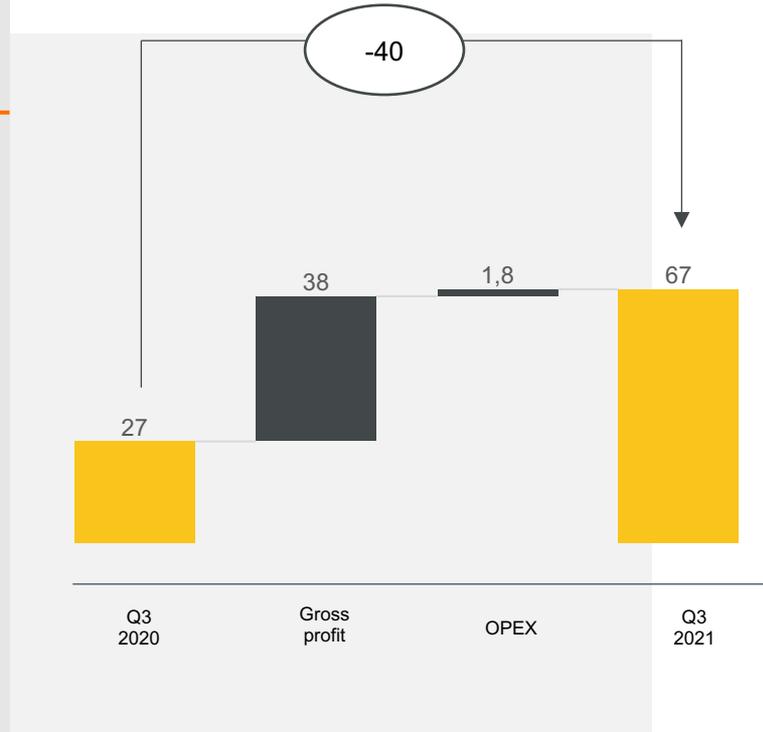
	Q3	Q3	Change	YTD	YTD	Change	MAT	MAT	Change
	2021	2020	%	2021	2020	%	Oct20- Sep21	Oct19- Sep20	%
OPEX	-60.7	-62.5	-3%	-223.3	-224.1	0%	-318.0	-310.1	3%
OPEX Core	-56.3	-56.7	-1%	-206.2	-205.6	0%	-292.6	-284.6	3%
Sales	-38.6	-32.9	17%	-125.8	-122.0	3%	-175.5	-177.6	-1%
Admin	-7.0	-5.4	29%	-30.4	-18.9	61%	-37.6	-25.8	46%
R&D	-15.4	-14.0	9%	-58.0	-56.5	2%	-79.2	-73.0	8%
Other	4.6	-4.3	-206%	7.9	-8.2	-197%	-0.2	-8.2	-97%
OPEX Non-Core	-4.3	-5.7	-24%	-17.0	-18.5	-8%	-25.4	-25.5	-1%

P&L (MSEK)

- Sales +32% (35% excluding currency effects)
- OPEX -3%
- EBIT +148% and EBIT Margin 39%

	Q3	Q3	Change	YTD	YTD	Change	MAT	MAT	Change
	2021	2020	%	2021	2020	%	Oct20-Sep21	Oct19-Sep20	%
Sales	174	132	32%	579	559	3%	767	767	0%
Gross Profit	128	90	43%	424	407	4%	564	561	0%
OPEX	-61	-62	-3%	-223	-224	0%	-318	-310	3%
EBIT	67	27	148%	201	183	10%	246	251	-2%
EBIT Margin	39%	20%	-	35%	33%	-	32%	33%	-
Adjusted EBIT	67	27	149%	211	183	15%	256	251	2%
Adjusted EBIT Margin	39%	20%	-	36%	33%	-	33%	33%	-
Profit after Tax	53	20	158%	158	141	12%	196	194	1%
EPS (before and after dilution)	2.62	1.17	123%	7.82	8.08	-3%	9.87	11.09	-11%

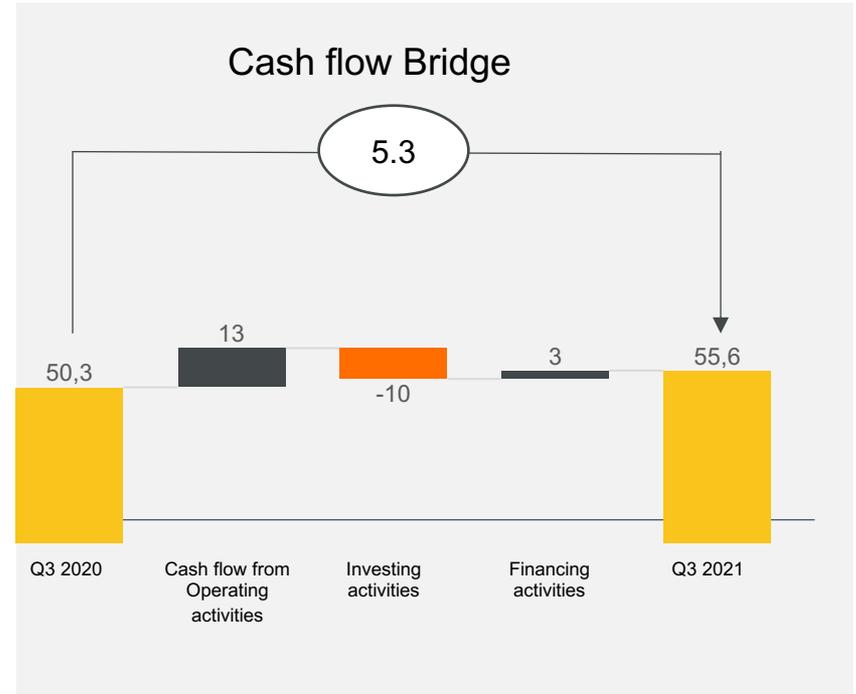
EBIT Bridge Q3



Cash Flow (MSEK)

- Cash Flow from operating activities 52.1 (14.7) MSEK.
- Cash Flow for the period at 55.6 (50.3) MSEK. The higher cash flow is mainly related to increased earnings.
- Cash flow from investing activities includes acquisition of remaining MetaboGen shares. Cash flow from investing activities YTD includes investments in Boneprox (10.5 MSEK) and Skinome (11.5 MSEK).

	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Cash flow from operating activities before changes in net working capital	52.1	14.7	166.7	142.7
Changes in working capital	15.8	40.8	-1.1	23.9
Cash flow from operating activities	68.0	55.4	165.6	166.6
Cash flow from investing activities	-12.8	-3.0	-36.9	-14.1
Cash flow from financing activities	0.5	-2.1	-72.1	-73.6
Cash flow for the period	55.6	50.3	56.7	79.0
Cash at end of period	1 529.7	292.4	1 529.7	292.4





Concluding Remarks
Isabelle Ducellier. CEO



Conclusion

- Strong Q3 due to increased consumer demand, less negative effects of covid-19 and orders shifted from Q4 to Q3
- EMEA is starting to recover, APAC has good growth and Americas was weaker due to order periodization (Brazil).
- Accelerating our B to C journey with the establishment of BioGaia UK
- The global market for probiotics is growing in terms of sales and customer recognition. Life after the pandemic will lead to an increased focus on preventive healthcare. Based on these trends we remain confident for the future of BioGaia.



Q&A

BioGaia®

Probiotics grounded in evolution
Driven by science

