

6 May 2022 09:30

Telephone Conference – Interim Management Statement Q1 2022

Isabelle Ducellier. CEO

Alexander Kotsinas. CFO

Q1 2022 – Executive Summary

- 41% sales increase driven by continued strong demand especially in Europe
- Record revenue (284 MSEK) and operating profit (+48% vs Q1 prior year)
- Strong operating cash flow





Key Events

- 3rd of February: BioGaia’s probiotic reduces inflammation in patients with diverticulitis
- 25th of April: BioGaia’s result for the first quarter to exceed market expectations

Launches

Distributor	Country	Product
Aché	Brazil	Minipack
BioGaia	Sweden	BioGaia Protectis drops. Easydropper
BioGaia	Sweden	BioGaia Protectis drops. Easydropper with vitamin D
Dr.Mums	China	BioGaia Protectis capsules

Sales per Segment (MSEK)

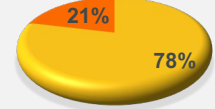
- Total sales for the quarter increased with +41% (+32% excluding currency effects)
- Pediatrics sales increased with +38% mainly thanks to increased sales of Protectis Drops in EMEA and Americas
- Adult sales increased with +57% mainly thanks to increased sales of Protectis Tablets in all regions

	Q4			MAT		
	2022	2021	%	Apr21-mar22	Apr20-mar21	%
Total Pediatrics	223	162	38%	665	602	10%
Total Adult Health	61	39	57%	199	160	25%
Other	1	2	-65%	3	4	-18%
Total	284	202	41%	867	766	13%

Proportion Sales by segment

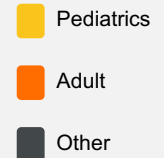
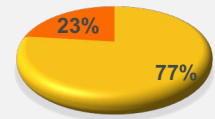
Q1 2022

0%



MAT

0%



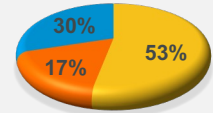
Sales per Geographical Market (MSEK)

- **EMEA:** sales increased mainly in Italy, Spain and Eastern Europe
Limited exposure to Russia and Ukraine
- **APAC:** sales increased mainly in South Korea, Hong Kong and Vietnam
- **Americas:** sales increased mainly in the US and Chile

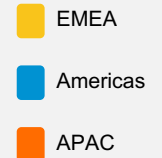
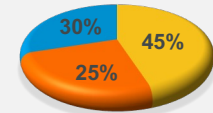
	Q1			MAT		
	2022	2021	%	Apr21-mar22	Apr20-mar21	%
EMEA	150	94	60%	392	349	12%
APAC	47	42	11%	219	181	21%
Americas	87	65	32%	256	237	8%
Total	284	202	41%	867	766	13%

Proportion Sales by Region

Q1 2022



MAT



Gross Margin per Segment

- Pediatrics gross margin slightly decreasing due to product mix effects
- Increased Adult health margin (Q1 2021 negatively affected by some campaigns)
- MAT margins stable

	Q1 2022	Q1 2021	MAT Apr21- mar22	MAT Apr20- mar21
Total Pediatrics	73%	75%	75%	74%
Total Adult health	65%	60%	69%	67%
Total	71%	72%	74%	73%



MetaboGen and BioGaia Pharma - Update

BioGaia Pharma

- Two prioritised programs (treatment of ulcerative colitis and constipation in patients receiving opioid therapy) both of which are in clinical development
- Focus on monitoring recruitment and last patient out expected during H2 2023

MetaboGen

- Ongoing clinical efficacy study in metabolic health (blood sugar levels and liver fat)
- Focus on monitoring recruitment and last-patient-last visit is expected during Q2 2023 and topline data to be read in Q3 2023
- Alongside the work with the study focus on product optimization and manufacturing upscaling



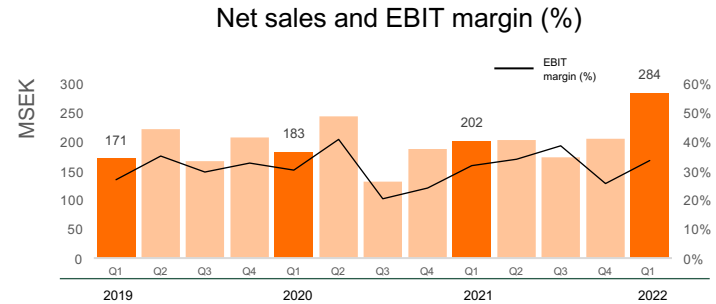
Financials

Alexander Kotsinas. CFO

Q1 FINANCIALS

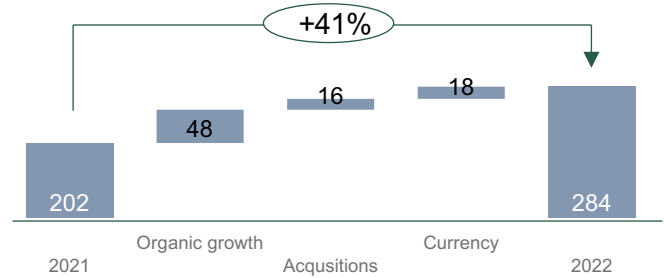


- Revenues were 284 (202) MSEK, +41% growth. Organic growth of 24 % (growth excluding currency and acquisitions)
- EBIT was 95 (64) MSEK (48% growth)
- EBIT margin of 34% (32%)
- Earnings per share were 3.78 (2.50) SEK
- Operating cash flow at 93 (42) MSEK





Q1 SALES BRIDGE



	in MSEK	Change (%)
2021	202	
Organic Growth	+48	+24%
Acquisitions	+16	+8%
Currency	+18	+9%
2022	284	+41%

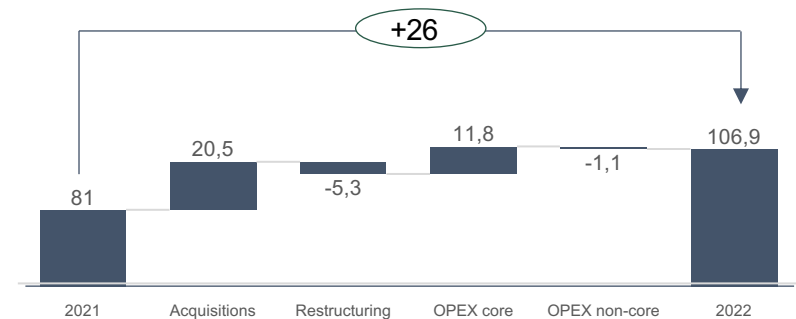
GROUP OPEX

Total OPEX +32%.

OPEX excluding Acquisitions +7%

- Sales costs increased mainly due to Everidis (20.5 MSEK) but also due to increased activities. Personnel costs related to restructuring were 1.9 MSEK (2.4MSEK)
- Admin costs decreased due to lower costs for evaluation of acquisition candidates 0.8 (2.5 MSEK) and impairment of right-of-use assets linked to a rental contract for premises in Lund 0.0 (5.1 MSEK)
- R&D costs excluding MetaboGen and BioGaia Pharma decreased due to phasing of costs for clinical studies
- Other costs at +1.1 MSEK due to positive currency effects

GROUP P&L (in SEK m)	Q1 2022	Q1 2021	Change
TOTAL OPEX	-106.9	-81.0	32%
TOTAL OPEX excl Restructuring ¹	-102.2	-71.0	44%
TOTAL OPEX excl Acquisitions ²	-86.4	-81.0	7%
OPEX Core	-102.1	-75.0	36%
Sales	-72.0	-43.2	67%
Admin	-11.1	-15.7	-30%
R&D	-20.1	-21.3	-5%
Other	1.1	5.2	-79%
OPEX Non-Core (MetaboGen+BioGaia Pharma)	-4.8	-5.9	-19%



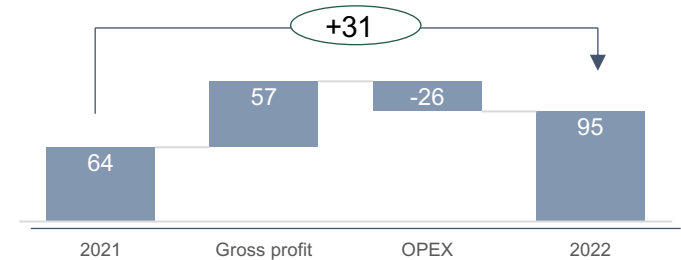
¹ excl. restructuring costs and excluding costs evaluation of acquisition candidates

² excl BioGaia USA

GROUP PROFIT AND LOSS

- Sales +41% (+32% excl. currency, +24% excl. currency and excl. acquisitions)
- OPEX +32% (7% excl. acquisitions)
- EBIT +48% and EBIT Margin 34%
- Adjusted EBIT +35% and Adjusted EBIT Margin 35%

GROUP P&L (in SEK m)	Q1 2022	Q1 2021	Change
Sales	284	202	+41%
Gross Profit	202	145	+39%
- as a of percentage of revenues	71%	72%	
OPEX	-107	-81	+32%
EBIT	95	64	+48%
- as a of percentage of revenues	34%	32%	
Adjusted EBIT ¹	100	74	+35%
- as a of percentage of revenues	35%	37%	
Profit after Tax	76	50	+51%
EPS (before and after dilution)	3.78	2.50	+51%



¹ excl. restructuring costs and excluding costs evaluation of acquisition candidates

CASH FLOW

GROUP Cash Flow (in SEK m)	Q1 2022	Q1 2021	Change
Cash Flow from Operating Activities before Changes in Net Working Capital	81	57	42%
Changes in Working Capital	12	-15	-180%
Cash Flow from Operating Activities	93	42	122%
Cash Flow from Investing Activities	-5	-23	-78%
Cash Flow from Financing Activities	-2	-1	58%
Cash Flow for the period	86	17	398%
Cash at the end of period	1 572	1 487	6%

- Cash Flow from Operating Activities increases with 122% to 93 (42) MSEK due to strong operating profits and Changes in Working Capital
- Cash Flow for the period at 86 (17) MSEK
- Cash at the end of the period at 1 572 MSEK

BALANCE SHEET

GROUP Balance Sheet (in SEK m)	Q1 2022	Q1 2021	Change
Assets	2 230	1 946	15%
Total Non-current Assets	381	235	62%
Total Current Assets	1 849	1 711	8%
EQUITY and Liabilities	2 230	1 946	15%
Total Equity	1 957	1 798	9%
Total Liabilities	274	149	84%
Total Non-current Liabilities	106	17	539%
Total Current Liabilities	153	121	27%
Deferred Tax Liability	14	11	26%

- The increase in Assets mainly due to the acquisition of Everidis during Q4 2021
- Total Equity 1 957 (1 798) MSEK



Concluding Remarks
Isabelle Ducellier. CEO



Conclusion

- After a good 2021, a very strong Q1 with +41% growth mainly driven by the lifting of covid restrictions and the wider implementation of our omni-channel retailing strategy of our global premium brand BioGaia
- After two years of suffering, EMEA is recovering with a super strong +60% driven by Italy, Spain and Eastern Europe
- Americas is performing well due to the successful integration of our distributor Everidis and Latin America over-performing the probiotic market
- Quarter after quarter, APAC is delivering and offers a strong Q1 again thanks to South Korea since we change to a new omni-channel distributor, Hong Kong recovering from covid restrictions and Vietnam. Both Japan and China remain affected by covid restrictions with many major cities in lock-down
- This strong quarter reinforce our confidence for the future of BioGaia. The market is there and, despite some risk linked to high inflation and maintained strict anti-covid policies, our strategy to build a global trusted brand of probiotics anchored in science widely available to HCP and consumers is paying back



Q&A

BioGaia®

Probiotics grounded in evolution
Driven by science

